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23. J. & A. Browns' Output (1904-10) and Foreign and Interstate Ventures (1904-10).
Where the Hunter River flowed into the South Pacific Ocean only 60 miles north of Sydney, Upper Permian Age coal measures erupted to provide New South Welshmen with abundant surface and subterranean deposits of good quality coal. For 44 years from 1804, coal was scratched from the surface to supply the forges and boilers of the infant industries of New South Wales and then, in 1848, the Australian Agricultural Company sank a bore which proved the existence of the Dorehole Seam which was to yield over 140 million tons of coal between 1851 and 1863.

The same coal measures outcropped South and West of Sydney but neither of these coalfields was as accessible as the Newcastle deposits were. The Western Field had to wait until the railway reached Lithgow in 1876 and then depend upon it; the Southern Field, though coastal and in production from the 1850's, was so handicapped by the lack of an all-weather harbour, that large scale development was not possible until a rail link to Sydney was completed in 1888.

Geographical considerations, the co-existence of a river mouth capable of improvement and readily saleable coal, determined that Newcastle would be the colliery of the Australian Colonies and that it would enjoy a considerable export trade during the 19th Century but the predilection of the times for unrestricted, private-enterprise rather than monopoly, determined the pattern of coal mining in the Newcastle District.

Monopoly, at first public and then private, held great promise for the successful exploitation of the coal of the North. The Colonial Government, the first colliery proprietor, was in a position between 1804 and 1850, to match capacity to supply with the demand for coal and to equate the size of the labour force with the need for its services. Then the Australian Agricultural Company, by virtue of its agreement with the British Government, replaced the Colonial Government as sole trustee of the industry and it too possessed, though less securely, the opportunity to plan an ordered development of the industry.

The commencement of competition, both legal and illegal, after 1841, brought results which were to be characteristic of the full flowering of private enterprise coal mining after 1859: capacity to produce rapidly outpaced demand, price reductions intended to win trade halved the value of coal, profits diminished sharply and reductions in wages brought miners and proprietors into conflict. Oversupply was to be endemic in this industry and it usually produced the same impoverishing effects on proprietors, shareholders and employees.

The problem can be simply stated: there was so much coal land available that profitable periods of operation lured additional investors to the industry and established excess capacity so that a struggle for trade began.
During the consequent periods of depressed prices, wages and dividends, capital inflow was reduced and eventually when the level of demand of the developing colonies approached the power to supply, profitable operations were restored, wages rose and relations between employer and employee improved once more.

For the industry's basic tendency to imbalance between supply and demand there were two remedies, one a palliative and the other offering a long term improvement. The former, which was available to the colliery proprietors, was to restrict competition in price and, or, to share the market between the existing producers. It was attempted with varying degrees of success, in every decade up to 1914.

Government action to restrict access to the industry could have permanently improved the situation but it was not tried in the period up to 1914. The Colonial Government sometimes intervened in a superficial way to try to settle disagreements between mine owners and their employees or to enact regulations for the working of the collieries but they did not tackle the basic problem. They left the industry in a state which provided, apart from the 24 years when the Vends existed to limit competition and raise prices, abundant cheap coal for use by domestic and industrial consumers and to provide the basis for an export trade.

One of the two firms which survived the vicissitudes of commercial life in the industry between 1843 and 1914 was J. & A. Brown: the following is an account of its experience.
CHAPTER ONE

Origins, 1843-1852

Officially, the Australian Agricultural Company was the only producer of coal in the colony of New South Wales from 1830 to 1840: its monopolistic position was the result of its legal rights and the undeveloped state of the colonial economy.¹

In July 1828 the British Government, in a letter setting out the terms under which coal mining would be vested in the Company, had promised:

"That, as the Company will have incurred a great preliminary expense for a public benefit, which expense they ought to have a fair opportunity of repaying to themselves, no Governor will for the next thirty-one years, grant or convey any Coal mine, or land containing any Coal mine, without a specific exception of the Coal in such grant or conveyance, nor afford any assistance in Convict Labor for the working of any Coal mine to any other Company, or to any individual, or individuals, without the previous sanction of the Government, sanction which would probably be granted, if the Company should avail themselves of their monopoly to impose an exorbitant price upon Coal, the produce of their mines."²

This privilege ensured that effective competition could legally come only from mines established on land granted before 1830 but in practice coal was probably being extracted from small mines in various parts of New South Wales for local use during the 1830's. The Australian Agricultural Company appears to have tolerated small scale mining activity as this did not appear to interfere with its sales of coal.³

The absence of a challenge to the Company's position from the owners of coal land granted before 1830 can be attributed to the smallness of the market and possibly to the ignorance of would-be competitors as to the precise nature of the Company's rights and of the availability of unreserved coal lands. The Crown had granted 1,745,720 acres, apart from the Australian Agricultural Company's 1,000,000 acres before 1st January, 1828 but many of the grantees did not receive their deeds until ten or twelve years later and they contained the reservation clause.⁴ It may have also been the result of the Company's sole-right to use convict labor in coal mining.⁵

In 1841 the Reverend L. E. Threlkeld opened a coal mine on the shores of Lake Macquarie, a few miles south of Newcastle: his land grant had been promised in 1829 and though his deeds contained the reservation clause it
was cancelled in 1841 by decision of the Colonial Government. The "monopoly" of the Company had lasted about eleven years.

By August, 1842, the A. A. Company regarded the Lake Macquarie mine as its only serious competitor though Captain P. P. King, its Commissioner in New South Wales, was aware of the existence of a number of mines in the Maitland area. The 1842 Blue Book listed six mines in the Newcastle region: E. E. Threlkeld's and William Brookes at Lake Macquarie, John Bales', Edward Turner's, Robert Kiddies' and James Brown's at Maitland.

James Brown (1816-1894) had emigrated from Lanarkshire, Scotland, in 1841 in the "Margaret" which arrived in Port Jackson on 23rd January, 1842. With him came his father, Alexander (died 1851), his brother John (1826-1847) and probably his brother Alexander (1827-1877), all of whom participated in the family's early coal mining activities. James and John, farm labourers who were described on the Bounty Certificates as Presbyterians able to read and write, were to be engaged with their sisters by a John Carvon of Heart Hill, Maitland, but this did not eventuate. The family appear to have lived in Newcastle for a short time where Alexander Senior, who was reputed to have been a weaver in the United Kingdom, and James probably worked in the Stockton tweed factory, before moving to East Maitland. Lanarkshire was a coal producing region but James Brown had no coal mining experience before coming to New South Wales: he may have had none when he leased infertile but coal bearing land at Four Mile Creek, six miles from Morpeth, in 1843. The rent for 80 acres of land on which coal outcropped was £10 per annum for the first eighteen months and £12 per annum for the remainder of the six year term.

The Hunter River Steam Navigation Company was operating a shipping service between Sydney and Morpeth and coaling its vessels at the river port; the coal, produced at Newcastle by the A. A. Company, was lightered up the river to Morpeth at a total cost of about 18s. Od. per ton. It was this market which attracted James Brown. The Company agreed to purchase his coal at 9s. 6d. per ton in October, 1844, and then, in November, 1844, it called for tenders for the supply of its bunker's coal. Six tenders, ranging from 9s. 10d. to 5s. 11d. per ton were received and Brown's tender, the lowest, was accepted. The New South Wales Coal industry was experiencing its first period of competitive price cutting.

The A. A. Company produced 26,000 tons of coal in 1843, selling its produce to the Colonial Government at 9s. Od. and then 10s. Od. per ton and to the public at 11s. Od. and then 13s. Od. per ton. Some additional coal would have been produced from Threlkeld's Lake Macquarie mine but total New South Wales output would probably not have been more than about 30,000 tons per annum. By 1827 the price was 7s. Od. per ton with a total colonial output of 41,000 tons: there were four mines in production in the Newcastle, Lake Macquarie and Maitland areas.

Though prices remained much lower than they had been in the days of public and private monopoly, progress was slow in that fifth decade of the century: railways had not been introduced to the colony and steamships were still rare in Pacific waters. Gas production had begun in Sydney but that
industry, too, was in its infancy and the smelting of ores, to be a prolific consumer of New South Wales coal in the future, was still on a small scale.

The severe depression which afflicted the colonial economy between 1842 and 1844 not only reduced the sales of coal but created an environment in which capitalists were less likely to proceed with the heavy capital expenditures on railways, steamships and gas works which were to be the basis of the future growth of domestic coal consumption. Though official production statistics indicate an apparent fall in coal output from about 35,000 tons in 1841 to trough of 22,000 tons in 1845, the decrease was not of this magnitude. Coal production dropped in 1842 and probably in 1843 but the Blue Books do not include output figures for rival mines in 1844 and 1845. (See Table 1 below and Figure 1).

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Average per ton</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>s. d.</td>
<td>£</td>
</tr>
<tr>
<td>1841</td>
<td>34,841</td>
<td>12 0</td>
<td>20,905</td>
</tr>
<tr>
<td>1842</td>
<td>39,900</td>
<td>12 0</td>
<td>23,940</td>
</tr>
<tr>
<td>1843</td>
<td>25,062</td>
<td>12 6.54</td>
<td>16,222</td>
</tr>
<tr>
<td>1844</td>
<td>25,118</td>
<td>10 8.34</td>
<td>12,355</td>
</tr>
<tr>
<td>1845</td>
<td>22,324</td>
<td>7 10.27</td>
<td>8,769</td>
</tr>
<tr>
<td>1846</td>
<td>38,965</td>
<td>7 0.46</td>
<td>15,714</td>
</tr>
<tr>
<td>1847</td>
<td>40,732</td>
<td>6 9.01</td>
<td>13,750</td>
</tr>
<tr>
<td>1848</td>
<td>45,447</td>
<td>6 3.38</td>
<td>14,275</td>
</tr>
<tr>
<td>1849</td>
<td>48,516</td>
<td>6 0.45</td>
<td>14,647</td>
</tr>
<tr>
<td>1850</td>
<td>71,216</td>
<td>6 6.67</td>
<td>23,375</td>
</tr>
<tr>
<td>1851</td>
<td>67,610</td>
<td>7 6.51</td>
<td>25,456</td>
</tr>
<tr>
<td>1852</td>
<td>67,404</td>
<td>10 11.33</td>
<td>36,885</td>
</tr>
<tr>
<td>1853</td>
<td>96,809</td>
<td>16 1.51</td>
<td>78,059</td>
</tr>
<tr>
<td>1854</td>
<td>116,642</td>
<td>20 5.63</td>
<td>119,380</td>
</tr>
<tr>
<td>1855</td>
<td>137,076</td>
<td>12 11.96</td>
<td>89,082</td>
</tr>
<tr>
<td>1856</td>
<td>169,960</td>
<td>12 4.06</td>
<td>117,906</td>
</tr>
<tr>
<td>1857</td>
<td>210,434</td>
<td>14 0.99</td>
<td>148,158</td>
</tr>
<tr>
<td>1858</td>
<td>216,397</td>
<td>14 11.84</td>
<td>162,162</td>
</tr>
<tr>
<td>1859</td>
<td>308,213</td>
<td>13 3.14</td>
<td>204,371</td>
</tr>
</tbody>
</table>


The next decade, with its gold rushes and rapid population growth brought an increasing rate of coal consumption and the export trade also expanded: prices reached their highest 19th Century levels. The increased activity of colonial railways held promise of a large potential demand but wood continued to be burned on the Sydney-Parramatta-Campbelltown-line until 1861.
FIGURE 1: N.S.W. OUTPUT AND EXPORT OF COAL 1843-59
Source: N.S.W. Statistical Registers for 1858 and 1867

N.S.W. Output

N.S.W. Exports
Less than 2,000 tons of coal was exported from the colony in 1843 and exports did not increase significantly until they jumped from 10,000 tons in 1849 to 31,000 tons in 1850. In that year coal was shipped to North Pacific ports for use by the steamships, which were extending their services as engine design advanced, and to Lima and Panama. The discovery of gold in California in 1848 sparked off an era of great development there and the consequent increasing consumption of coal sent a small fleet of ships to Newcastle in 1850 to begin a regular trade which was insignificant in terms of tonnage in the 1850's, when most of California's requirements were coming from the Eastern States of the United States and from Europe, but which was to make San Francisco one of the principal foreign markets for N.S.W. coal later in the century.

The developing foreign coal trade was to be of particular significance to J. & A. Brown after 1851, when the firm began to ship coal from the port of Newcastle.

* Victoria was separated from New South Wales in 1851 and shipments to those States would henceforth be regarded as "exports."

Source: Annual Report of N.S.W. Government Railways and Tramways for 1898.

**TABLE 2: TRAIN MILES OF N.S.W. RAILWAYS (1855-59)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Miles</th>
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<tr>
<td>1855</td>
<td>14,107</td>
</tr>
<tr>
<td>1856</td>
<td>63,371</td>
</tr>
<tr>
<td>1857</td>
<td>107,822</td>
</tr>
<tr>
<td>1858</td>
<td>141,495</td>
</tr>
<tr>
<td>1859</td>
<td>147,618</td>
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</table>

**TABLE 3: N.S.W. COAL EXPORTS TO SAN FRANCISCO (1850-59)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1850</td>
<td>6,000</td>
</tr>
<tr>
<td>1851</td>
<td>10,000</td>
</tr>
<tr>
<td>1852</td>
<td>5,000</td>
</tr>
<tr>
<td>1853</td>
<td>2,000</td>
</tr>
<tr>
<td>1854</td>
<td>3,000</td>
</tr>
</tbody>
</table>

**TABLE 4: EXPORTS OF N.S.W. COAL 1843-1859**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1843</td>
<td>2</td>
</tr>
<tr>
<td>1844</td>
<td>2</td>
</tr>
<tr>
<td>1845</td>
<td>3</td>
</tr>
<tr>
<td>1846</td>
<td>5</td>
</tr>
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<td>1847</td>
<td>8</td>
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<tr>
<td>1848</td>
<td>6</td>
</tr>
<tr>
<td>1849</td>
<td>10</td>
</tr>
<tr>
<td>1850</td>
<td>31</td>
</tr>
<tr>
<td>1851</td>
<td>28</td>
</tr>
</tbody>
</table>

(Round Thousand Tons)

By 1859 the export of coal from the Port of Newcastle to intercolonial and to foreign ports amounted to 174,500 tons with most of the coal going to the Eastern Colonies of Australia and to New Zealand and the United States. (See Table 5).

### TABLE 5: EXPORTS OF NSW COAL TO PRINCIPAL MARKETS 1859

(Round thousand tons)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Victoria</td>
<td>92</td>
</tr>
<tr>
<td>Tasmania</td>
<td>8</td>
</tr>
<tr>
<td>South Australia</td>
<td>14</td>
</tr>
<tr>
<td>New Zealand</td>
<td>14</td>
</tr>
<tr>
<td>United States of America</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: NSW Statistical Register for 1859.

The evidence of the New South Wales Mines Department statistics for this period, which are based on the Customs House records, place a considerably higher value on coal being sold for export to foreign ports than coal for domestic consumption. The value for 1859 was £1.9.1.8d. per ton for this category of coal sales and coal sold from Newcastle for these markets continued to attract a considerably higher price than the coal sold for shipment to intercolonial ports. 21

The foreign trade was still very small in 1858 and the higher price was probably the result of the sea-going captains' ignorance of the competitive nature of the industry or to an agreement between the companies to keep the price high for such clients. The intercolonial purchasers of Newcastle coal were much more regular in their trade and some of them may well have arranged to purchase by contract using the tender system employed by the Hunter River Steam Navigation Company as early as 1844. These higher sales for the foreign trade account for the average value per ton of all coal sold in 1859 being more than 15s. 11d. when the price of round coal in Newcastle varied from 13s. 6d. to 16s. 6d. per ton and small coal sold at 8s. 9d. per ton. 22

Competition among the mines in the Maitland area was quickly extended to Sydney market: Browns were occupied with the supply of the Morpeth steamers but three of those who tendered unsuccessfully for that contract began to ship coal from Hexham and the A. A. Company showed its concern at their intrusion by warning those who were mining illegally. 23

In his despatches of 12th March and 4th April, 1845, Captain King informed his Directors that he had conferred with Governor Gipps about the illegal working of mines in the Maitland district and had urged Gipps "to redeem the pledge of the Government to protect the Company's privileges." 24 After this interview, Edward Turner and James Brown, were threatened with legal action if they persisted in their mining. Edward Turner stopped at
once: James Brown persisted. Legal proceedings were instituted against Brown but far too slowly to suit the A. A. Company whose directors complained that Turner’s reaction to the threat of legal action demonstrated that it would have been an easy matter to protect the company’s privilege had the colonial officials desired to do so. Their slowness to prosecute brought further complaints from Captain King when he gave evidence before the Select Committee on Coal Inquiry in 1847. He was asked if he had ever experienced any unwillingness on the part of the Government in carrying out the agreement between the Crown and the Company and he replied:

"As regards the Head of the Government, certainly not; at the Supreme Court, accidental delays occurred, and several terms passed before the case came on and was finally settled."²⁵

In the N.S.W. Supreme Court, on 23rd August, 1845, James Brown was charged with intrusion upon coal which had been reserved by the Crown - the Company was the complainant, the Government the Prosecuter.²⁶

The land mined by James Brown had been granted in 1840 and the deeds contained the following clauses "and we do hereby reserve to ourselves all such parts and so much of the said land as may hereafter be required for a public way or ways, -- and also all stone and gravel, -- and all land within one hundred feet of high water mark, -- and also all mines of gold and silver, and of coals, with full and free liberty and power to search for, dig, and take away the same."²⁷

James Brown could not deny that he had removed the coal but his defence counsel argued that the agreement between the British Government and the A. A. Company was illegal as it tended to promote a monopoly and also challenged the right of the Crown to reserve the coal for its own use.

The jury of four returned a verdict "under His Honour's direction for the Crown: but in the absence of sufficient evidence as to damage, with nominal damages only."²⁸ The damages were fixed at one shilling.

James Brown, freely assisted for political reasons by barristers, R. Windeyer, M.L.C. and Robert Lowe, M.L.C., applied for a new trial²⁹ his application was heard in 1846 and the Chief Justice delivered judgment on 10th February, 1847. The application for a new trial was based on a challenge to the powers of the Crown to reserve coal in making land grants and raised the monopoly charge once more. In denying James Brown a new trial the Court rejected all the arguments of his lawyers and declared:

"We omit a variety of topics introduced in aid of them, with which we have, as Judges, nothing to do and which were indeed of too popular a character, merely, to justify further notice by us."³⁰
In specific rebuttal of the charge of illegal monopoly, the judges concluded:

"But there is nothing, in the intrinsic operation of the clause in question, in this case, tending to a monopoly in the sale of coals." 31

Captain King reported the verdict against James Brown in his despatch of 18th September, 1845 and his news elicited the following reply from the Court of Directors:

"We wish we could look upon this trial as the final settlement of the question but we apprehend with you that the monopoly possessed by the company will be constantly invaded and a continual source of annoyance and expense should we persist in defending our rights. We are, therefore, quite disposed as suggested to accept of any reasonable compensation for the loss we may be supposed to sustain in relinquishing it." 32

The despatch goes on to authorise King to seek high compensation from the Colonial Government and to report that the British Government was not prepared to give financial compensation, but that the Colonial Government, which would be able to obtain a large revenue from royalties, if the reservation were revoked, should be expected to pay. King was to ensure that the Company's obligation to supply the Government with coal at cost was to end with the reservation. With regard to the further conduct of the mines he was urged to reduce his costs of production and presumably price, even more to discourage the opening of new mines and to enable the Company "to compete with those which are already at work" in the hope that the mines would "again become a profitable source of Revenue." 33

During 1846 and 1847 the position of the A. A. Company was much improved by a substantial increase in the sale of coal though the price remained 7s. 0d. per ton to the public and 6s. 6d. per ton to the Government. (See Table 1).

It retained its control of the intercolonial and export trade since neither of its legal competitors, at Lake Macquarie and at East Maitland could, with the primitive transport systems then in use, compete with the tidewater mines of the A. A. Company. 34

Threlkeld and his successors at Ebenezer offered only fitful competition. They were hampered by the difficult passage from Lake Macquarie to the Pacific Ocean which made it impossible to use any but small, even specially constructed shallow-draft vessels, of never more than fifty tons, and in the year 1847 the mine produced only 1,500 tons of coal. 35
<table>
<thead>
<tr>
<th>Year</th>
<th>Raised</th>
<th>Average Price at Pit's Mouth per Ton</th>
<th>Average Expenses per Ton</th>
<th>Stock on Bank at end of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1848</td>
<td>35,912</td>
<td>7 s. d.</td>
<td>4 s. d.</td>
<td>1,423 Tons</td>
</tr>
<tr>
<td>1849</td>
<td>34,069</td>
<td>6 6</td>
<td>4 4</td>
<td>489 Tons</td>
</tr>
<tr>
<td>1850</td>
<td>46,581</td>
<td>6 6</td>
<td>4 6</td>
<td>381 Tons</td>
</tr>
<tr>
<td>1851</td>
<td>57,637</td>
<td>9 0</td>
<td>5 5</td>
<td>10,780 Tons</td>
</tr>
<tr>
<td>1852</td>
<td>31,349</td>
<td>10 7</td>
<td>6 7</td>
<td>147 Tons</td>
</tr>
<tr>
<td>1853</td>
<td>45,623</td>
<td>16 8</td>
<td>12 7</td>
<td>657 Tons</td>
</tr>
<tr>
<td>1854</td>
<td>47,538</td>
<td>20 2</td>
<td>16 5</td>
<td>2,474 Tons</td>
</tr>
<tr>
<td>1855</td>
<td>40,429</td>
<td>14 0</td>
<td>14 6</td>
<td>2,933 Tons</td>
</tr>
</tbody>
</table>


The decision of the Supreme Court forced James Brown to give up working the Four Mile Creek mine; he told the Select Committee on Coal Inquiry:

"A Sheriff's bailiff came and gave me three day's notice to quit the land, to carry off my working materials, and to be off myself, under a penalty of five hundred pounds. I had twelve houses erected; these I had to leave, and to take shelter somewhere else."36

He went on to say that legal opinion was that he should enter an action for damages against the Sheriff's bailiff but that he had not been in a financial position to do so. He claimed that the action brought against him by the Government caused him to lose £147 exclusive of the value of materials lost on leaving the mine. Subsequently and apparently almost immediately the Browns recommended the winning of coal for the H. R. S. N. Company from the mines of De Salis, Turner and Eales which were in the same area.37

Captain King attributed the closure of Turner's mine to the threat of legal action against him but James Brown suggested that Turner, Christian and Eales, were driven out of the market by the price cutting of 1844 and 1845. Turner owned a tannery in which a steam engine was employed which consumed a quarter of a ton of coal per day: his interest in mining was subsidiary to his other business interest and when profits fell and prosecution threatened he appears to have discontinued the mining of coal for sale.38 By 11th June, 1847, James Brown had worked all three of these mines but he was at that time exploiting only John Eales' colliery which was not affected by the reservation. Commissioner King recognised this when
Eales and Brown were in partnership in June 1847: Eales supplied the coal land; Brown the managerial skill, and they shared the profits. They were supplying most of their coal to the H. R. S. N. Company at 5s. 1ld. and James Brown was ignorant as to their annual rate of production though he thought the H. R. S. N. Company used about 4,000 tons per annum at Morpeth. There was also some local consumption for steam engine use. Brown's mining business had been legalized but it was severely limited in scope by the cost of transport and the lower price level maintained by the A. A. Company.

<table>
<thead>
<tr>
<th>Year</th>
<th>Four Mile Creek</th>
<th>Value</th>
<th></th>
<th>Burwood</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>£.</td>
<td>s.</td>
<td>d.</td>
<td>tons</td>
</tr>
<tr>
<td>1848</td>
<td>7,023</td>
<td>1,265</td>
<td>12</td>
<td>0 *</td>
<td>6,602</td>
</tr>
<tr>
<td>1849</td>
<td>4,000</td>
<td>1,100</td>
<td>0</td>
<td>0 *</td>
<td></td>
</tr>
</tbody>
</table>
| 1850 | 5,500           | 1,718 | 0  | 0 )     | or    | 5,200 | 1,625 | 0  | 0 )+
|      | or              |       |    |         | or    |       |    |    |
| 1851 | 3,500           | 1,050 | 0  | 0       |       |       |    |    |
| 1852 | 4,700           | 1,997 | 0  | 0 †     |       |       |    |    |
| 1853 |                | 22,900| 0  | 0       |       | 22,900| 0  | 0 |
| 1854 |                | 39,038| 0  | 0       |       | 40,990| 0  | 0 |
| 1855 |                | 77,212| 0  | 0       |       | 51,853| 0  | 0 |
| 1856 |                | 89,110| 0  | 0       |       | 57,921| 0  | 0 |
| 1857 |                | 92,279| 0  | 0       |       | 64,595| 0  | 0 |
| 1858 |                | 72,322| 0  | 0       |       | 48,807| 0  | 0 |

* * assumed to be mainly Brown's coal.
+ = one of these mines was Christian's and one Brown's.
† it is not clear from the records when Browns ceased to work the Four Mile Creek Mine.

Source: N.S.W. Blue Books and Statistical Registers.

After the Full Bench of the Supreme Court had refused James Brown a retrial in February 1847, there seemed to be no hope of shortening the term of the Company's privilege by legal action as an appeal to Privy Council was considered prohibitively expensive in 1847. When questioned in the Legislative Council in May 1847, Windeyer explained that he had not taken the case to England as had been done over an earlier case involving a bank

"simply because there was no bank upon which to fall back on, and it was not probable that the interests of this colony would induce English Barristers to devote much attention to the case without fees."
Though his market was limited Browns enjoyed the protected position of the A. A. Company as did others who controlled coal lands which were unaffected by the Crown reservation. Had he been satisfied with the business he had obtained in Morpeth and Maitland, the cancellation of the agreement between the Crown and the Company must have been regarded by James as insidious to his business as its effect was to permit the mining of coal from lands closer to Morpeth than his own colliery.

In the N.S.W. Legislative Council in May 1847, P. Grant attacked the privileged position of the Company by giving notice of his intention to move that its monopoly was illegal, that it impeded the progress of the colony "by enhancing the price of coal beyond that amount which has lately been proved to be its fair and reasonable value" and he asked the Governor to refuse to support the privilege of the company or any legal proceedings aimed at protecting it. In debate several members of the Council supported the motion and denounced the "monopoly" of the Company as illegal. The member for Northumberland, asserting the deep interest of his constituents in the matter, claimed that the prices of the company had not only been exorbitant but still were. He described James Brown as having been dispossessed as a result of the action of the Sheriff's Bailiff and described him as a "beggar."

The Attorney General and the Colonial Secretary put the situation in perspective by detailing the actual position of the Company in law and asserting the benefits which had accrued to the Colony due to its development of the coal mining industry and due to the Company's action in keeping down the price of coal in Sydney by opening its own depot there in opposition to a combination of dealers who had bought the coal in Newcastle for 13s. Od. per ton and sold it in Sydney for 28s. Od. and 30s. Od. per "so called ton" of 14 or 15 hundredweight lots. The Company had then reduced the price of Sydney coal and caused all retailers to give full weight.

More circumspection was shown by T. A. Murray who asserted that the end of the monopoly might not be as advantageous as some members expected and that:

"if as many people traded in coals as it had been suggested would be the case, many of them would decidedly burn their fingers."

Murray went on to doubt whether the abolition of the reservation would mean cheaper coal for:

"he had been informed that from deep mines coal cannot be procured at a much less cost than the company's present rate."

Murray moved an amendment to Grant's motion to provide simply for a committee of inquiry to investigate the position of the A. A. Company and to explore
the possibility of its relinquishing its rights under the 1826 Agreement with the British Government. The committee was set up and he became its chairman.\textsuperscript{46}

These developments were pointless: the Company had already terminated the agreement by negotiation with Lord Grey, the Secretary of State for War and Colonies.

In February 1847, Lord Grey had:

"consented to emancipate the coal grant at Newcastle also, from all conditions appertaining to it, which liberal concession will give the Company the same power of alienation as they now possess over their Agricultural Lands with the understanding however, that all existing privileges on both sides be given up. By this arrangement the monopoly of the company will of course cease (which virtually has been the case for some time past) and with it all claim for compensation."\textsuperscript{47}

King was directed to seek purchasers for the colliery.

Governor Fitz Roy informed the Legislative Council of this news on 17th August: he had not heard officially but relied upon the A. A. Company's Despatch: he reported that arrangements had been made by the Company and the Secretary of State for Colonies

"by which all existing privileges, both on the part of the Company and the Government are to be given up, and without entailing any charge on the colonial funds."\textsuperscript{48}

The announcement was greeted by repeated cheers.

The official news arrived in September, and was communicated to the Council and repeated in The Sydney Morning Herald Supplement of 16th September, 1847. The Colonial Secretary explained that:

"It has been thought advisable that the same principle, dispensing with conditions and restrictions applied to the other lands of the A. A. Company, should be extended to the land containing coal and that the company should be released from any engagement to the Crown respecting the Coal Mines, at the same time that the Government is to be released from any stipulations which otherwise would be binding upon it, in consequence of a former agreement with the Company, giving them exclusive advantages in the working of coal, which agreement henceforth is to be considered at an end."\textsuperscript{49}
When the Select Committee on Coal reported to the Council at the end of September: its value consisted solely in the information it provided about the industry in its early stage of development.

The Formation of J. & A. Brown

The partnership, J. & A. Brown, was probably established in 1851 or 1852 when James and his brother Alexander leased a section of Dr. James Mitchell's Burwood Estate where coal had been discovered before 1847. The Four Mile Creek mine was kept in production under the management of Alexander Brown, Senior but he died in 1853 and thereafter Browns concentrated on their new mine which had far greater potential.50

The cancellation of the reservation of coal contained in land granted after 1830 made a move from Four Mile Creek inevitable if Browns were to aspire to any more than an uncertain share of the small Morpeth-Maitland market. James Brown was aware of the comparative advantages of the Burwood Estate as early as 1847: its thicker seam of good quality coal and its proximity to the Port of Newcastle had convinced him that its coal could be raised and transported to Newcastle for 3s. Od. per ton.51

By a private Act of Parliament in 1850 James Mitchell had obtained the right to construct a tramway from the Port of Newcastle to the mines on his Burwood estate but the construction of this line was deputed to J. & A. Brown, W. & J. Donaldson and Alexander Brown by an amendment to the original act dated 29th January, 1853.52 This tramway was completed about the middle of 1854 and resulted in a big increase in the amount of coal shipped from these mines and produced a forecast from the General Superintendent of the A. A. Company that his company would probably sell less coal at lower prices in the future.53

The very high price of coal which had prevailed in 1854, and possibly earlier, when coal is reported to have sold at £1.10.0. per ton and even £2.10.0. per ton at Newcastle could not be sustained.54 Such price levels drove coal purchasers from the trade. They were probably the results of a peculiar combination of circumstances: the gold rushes produced a labour shortage and inflation and there a developing demand for coal for export to intercolonial, and to a lesser extent, to foreign ports.

Though output of coal increased considerably in each of the years from 1849 to 1858, with the exception of 1852 when there was a slight reduction of 206 tons, the price of coal dropped from 20s. Od. to 15s. Od. per ton in December 1854, and within a year it had fallen again to 12s. Od. per ton of A. A. Company coal and 10s. Od. per ton of Burwood Estate coal. The latter reduction occurred in a year when a record output of 157,000 tons was produced: it was attributed to the existence of over capacity.55
Demand for coal was expanding but not as fast as mine capacity and the result was a series of complaints about depression in the industry. In 1855, for example, when annual output increased by more than 17%, there were complaints of depression from the A.A. Company, in May, September, November and December. The Bank of Australasia's records and the files of The Northern Times and Newcastle Telegraph contain similar references to the state of the industry at various times between 1854 and 1859.

Contemporaries had a variety of explanations for periods of poor trade. In 1853 it was the non-appearance of the Californian coal fleet and the withdrawal of a line of steamers from the Australian run: in 1855 the miners' strike was alleged to have deterred would-be customers. The almost complete dependence of Newcastle on the coal industry at this time was strikingly expressed in October 1857 when a local newspaper commented:

"Trade is dull, the people are dull because trade is dull and there is every likelihood that both will remain in that very unenviable condition for some time to come ...."

The seasonal pattern of trade was well established by this period and the overseas trade, especially to the Northern Hemisphere which might have been compensatory, was not sufficiently great to affect the weak inter-colonial demand of the summer months. Since it is unlikely that much coal was sold for household consumption in the 1850's, and as the demand for coal for use in steamers, stationary steam engines and for other manufacturing purposes, would normally be fairly constant over time, it is difficult to explain such seasonal variation. The production of gas for lighting would have consumed more in the winter months but that would not appear to have been sufficient to explain these variations which may have been due simply to the purchasing habits of principal consumers who bought in bulk and maintained supplies of coal at grass.

The fluctuating demand for coal was rendered more serious by the existence of excess capacity. For example in May 1855, the A.A. Company had two mines with a combined capacity of up to 300 tons per day. Assuming a six day week and a 52 week per year operation, the Company could thus produce up to 93,600 tons. In addition it had a third mine almost ready to operate which was expected to lift the Company's output from 400 to 500 tons per day.

In the years 1854 and 1855 the Company produced 44,128 and 38,276 tons respectively.

In addition the Newcastle Coal and Copper Company had a mine and there were several other mines with production equal to the A.A. Company's mines. In 1854 these mines produced 39,036 in a year in which their tramway was being constructed and did not operate until July, and in 1855 their output reached 77,212. On this basis, assuming that say, four of the six Burwood Estate mines could produce at the lower level of A.A. Company
output for one of its mines then total Newcastle capacity per annum would have been 218,400 tons per annum and actual production in 1854 and 1855 was 94,631 and 112,971 tons respectively. The inefficiency of the A. A. Company's mines in these years due to a costly system of working and the employment of unnecessarily large underground work force as well as to the indiscipline of the miners must have reduced its profit level and tended to keep up prices. It is quite probable that Brown's new mine on the Burwood Estate would have operated at a lower cost: if so it would have been very profitable. James Brown had suggested at the 1847 inquiry that the Company had unnecessary overhead expenses and by his standards it probably was extravagant.

There is no evidence to suggest that competition was limited by any agreement between the six mine owners of the Burwood Estate before 1856: in September 1855, in a period of slack trade, these mine owners reacted in a variety of ways and in May 1855, the Australasian Bank manager described the A. A. Company's three mines, the Newcastle Coal and Copper Company's mine and several other mines without any mention of an agreement between the proprietors.

During 1855 competition was intense and by September some of the proprietors of Burwood Estate mines had reduced to 10s. Od. per ton. Brown's coal was said to be inferior to the product of the A. A. Company and they were employing a ruse to sell their coal. Their technique was to pass themselves off to foreign captains as "The Company", and the captains who have heard only of the A. A. Company, believing them to be from that company, purchased their coal. In one such case an agent endeavoured to pass off 350 tons of Brown's coal and its inferior nature led to its being rejected by the ship's captain. The A. A. Company despatches also contain references to cases of forged A. A. Company certificates being used to sell other coal in this period.

Late in 1855, with English coal arriving constantly in Sydney and the industry in a depressed state, the Newcastle Coal and Copper Company, one of the lessees of the Burwood Estate issued a prospectus explaining its intention to take over the other mines on the estate. The five mines concerned were taken over for £60,000 in shares and cash early in January 1856: J. & A. Brown claimed to have received £24,400 for their mine. The arrangement was that each party would take a quantity of shares and the remainder of the purchase price in bills at dates varying from three to twelve months.

These mines were ideally situated for common working as they were contiguous and used a common tramway for transporting their coal to the Newcastle waterfront. This merger is significant in the history of the industry: it is the first, though limited attempt to overcome the problem of competition for a limited trade leading to price cutting and to resort to trading practices regarded as unfair. In such situations the producers
with the poorest quality coal usually led the way and this was to be a recurring problem. The difficulty was how to regulate and maintain prices when the inferiority of some coals made them difficult to sell except at reduced prices.

The concentration of ownership into two proprietaries producing over 77% of N.S.W. output in 1855, permitted joint price regulation but the average price per ton continued to fall in 1856 suggesting that the two companies did not reach agreement on price until 1857. 71

During 1857 the advertised price of both A. A. and C. & C. coal was 14s. 6d. at the point of shipment but in July the companies justified an increase in the price to 15s. 6d. on account of the high price of horse feed. 72 Both companies were offering to sell at 15s. 6d. in March 1858, but by April 10th the C. & C. Company had reduced to 13s. 6d. per ton. In October the price recovered to 16s. 6d. but it was suggested that should a third producer begin to sell his coal in Newcastle prices would fall. 73

The relative stability of prices and wages in the period from 1856 to 1859 may be attributed to the concentration of ownership effected in 1856 under the auspices of the Newcastle C. & C. Company: the industry had survived periods of depression without severe price reductions and had enjoyed a considerable degree of prosperity.

J. & A. Brown ceased to be a coal producing firm after the sale of their colliery to the Newcastle C. & C. Company but the brothers retained a shareholding in the enlarged coal company and in 1857 Alexander Brown was the manager of the company. There is no indication of the date of his appointment to this position but it is clear that he relinquished it between 7th November, 1857 and 16th January, 1858. 74

He was about to indulge in characteristic entrepreneurial activity as a coal and general merchant. Alexander had already made a trading venture, possibly in 1856, in the Pacific when, in partnership with G. M. Larnach he had chartered a schooner and set off with a cargo on a venture to "the South Seas Islands." 75 The crew were stricken with fever and Alexander was said to have been forever weakened by his bout: the venture failed.

In August 1858, Brown's bank manager reported that Alexander Brown had recently left Newcastle in one of his own vessels for the purpose of selling coal and purchasing produce in the Indian market. The firm had arranged for a draft to the sum of £6,500 for the financing of their purchases. 76

"The Adolphus" returned to Newcastle early in February 1859 from Sourabaya, Java, laden with sugar and other tropical produce including rum and coffee: It was claimed to be the first vessel on record to bring such products directly to Newcastle and it was announced that it would be followed
by a chartered vessel with a similar cargo for Browns who had licensed their recently erected large storehouse as a bonded store for the purpose of receiving these cargoes instead of their being landed in Sydney first as in the past. This cargo had been sold by 16th February, 1859, except for the rum which could not be disposed of until its proof quality had been ascertained. 77

These episodes are indications of J. & A. Browns' early and extensive shipping activities which were to play a most important role in the development of the firm as coal exporters. During the 1850's Browns owned at least two sailing vessels, the "Adolphus" and the "Alexander and John" which they engaged in the coastal trade as a collier. 78 The firm's shipping interests were never, after 1859, to dominate their colliery business but they were to give J. & A. Brown a distinctive position in the coal industry and to have a profound influence upon their coal selling techniques. These coal selling expeditions of Browns in the 50's and 60's enabled them to claim that they pioneered the overseas coal trade to the East Indies and mainland Asia. Such claims are impossible to assess: N.S.W. coal had certainly been sold in all these markets before; on the other hand the voyages made in the 1850's were carried out at a time when the export trade in coal was no more than embryonic. Browns may have made the first speculative shipments to these markets.

Mine Management and Labour

James Brown operated both tunnel and shaft mines at Four Mile Creek where he had access to two seams of coal which outcropped in the area. He informed the 1847 Select Committee:

"there is coal over the whole of that district of country so far as I have seen, and I have been back for ten miles; most of the land is Government land - you may see the coal cropping out in the gullies." 79

As the coal was so close to the surface the shafts used to gain access to the seam were only 50 or 60 feet deep. The higher of the two seams was 5' 6" thick and dirtier than the slightly thinner lower seam. Brown considered the top seam to be suitable for "smelting", an opinion which was questioned by Captain King, and used the lower seam for steam purposes. His coal was not being screened before it was transported to Morpeth by Browns' teams and waggons and by others hired for the purpose.

James Brown obtained mine labour without difficulty, possibly assisted by the depression of the early 1840's, until 1847 but then there appears to have been a change in the situation though James's answer to the Select Committee on this matter is far from clear.
"I have always procured as much labor as I have wanted, but there is scarcity of labor now, and if I required three times my present quantity, I would have to exert myself to get it." 81

There were two categories of mine labour at Four Mile Creek. The "regular miners" contracted to deliver coal at the surface or at the bottom of the shaft for ls. 6d. or ls. 6d. per ton and paid their "common labourers" from the money thus earned. Browns supplied the skips (small waggons), rails and timber which were needed for extracting the coal and supporting the roof. 82

The availability of "regular miners" suggests that they may have come from the A. A. Company mines where convicts formed the labour force before 1840: there were still 34 convicts and 12 ticket-of-leave men working in the Company's mines in 1846 but by 1847 only 10 remained. 83 Brown's miners were probably not local residents as he found it necessary to build twelve houses on the site of his first mine.

Though these mines were not deep they were already providing some of the unpleasant and sometimes dangerous conditions which were characteristic of the miners' working life in the 19th Century. Water was present in the workings and Browns used "a horsepower with pumps for taking away the water" from the original mine. 84

While sinking a new shaft in June 1846, John Brown, James's younger brother, was lowered into the pit on a rope after a meal break. He was overcome by fumes and fell to the bottom of the shaft. It took half an hour to rescue him and by this time he was dead from the effects of a gas described by the Coroner as carbonic acid gas: he was 21 years old and may have been the first man to die in a mining accident in the Maitland area. 85 The shallowness of these mines which depended on natural ventilation, probably reduced the danger of accidents of this sort but poisonous gases were present at this early stage of development.

The difficulty experienced by the A. A. Company in retaining the services of miners brought from England at a cost of £4,000 in the early 1840's suggests that they found their conditions of employment unsatisfactory. 86 In the absence of adequate records for this period, an 1846 reference to the problem of controlling the miners of the A. A. Company is illuminating. The Company had successfully prosecuted a miner named Tulip under the Master and Servants Act in 1845. The Directors of the Company expected that this action would have a salutary effect on the "troublesome miners" but found that it had had the opposite effect. 87

The actual earnings of Brown's miners are unknown but the A. A. Company's miners appear to have been well paid for Captain King told the 1847 Select Committee:
"For some time past, the Company's Colliers have been receiving, by the piece, generally from eight pounds to ten pounds per month, and in some cases, fifteen to sixteen pounds, besides being provided with rations and residence."  

In addition they enjoyed privileges which had been part of the system of rewards for convict miners such as Christmas hampers, until 1844, and the provision of tools and lamp oil which was not withdrawn until 1855. Such wages and conditions were probably never equalled in the 19th Century.

The slightly more copious, but still far from adequate, records of the 1850's give further information about mine labour in Newcastle. The duties of the miners took them down a shaft or into a tunnel where, by the light of candles or oil lamps they removed coal from a seam which was approximately seven feet thick. In order to support the roof of the mine the coal was extracted by the bord and pillar method which involved the removal of blocks of coal about eight yards wide (bords) between pillars of coal about four yards wide which were left to support the roof.

FIGURE 2: BORD AND PILLAR SYSTEM OF COAL EXTRACTION

In order that the roof of the mine in the bords could be supported it was the custom to set timber props into position but at this time it was not the practice to use slabs in addition to the props for this purpose. Having freed the coal from the seam the miner shovelled it into skips and pushed or pulled them on rails to the bottom of the shaft or tunnel where the mine's haulage system would raise them to the surface. As the A. A. Company was mining very thin seams, about 2' 7" in 1856 and the main roadways in the mine had to be raised to allow the skips to pass it was not considered economical to use horses below ground for wheeling. Though the thicker Victoria Tunnel seam being mined by J. & A. Brown might have permitted the use of horses for this work there is no evidence to suggest that they were used.

Evidence as to the hours of work is inconclusive and to some extent conflicting. When Robert Whytte reported to the A. A. Company on the condition of its collieries in 1856 he explained the low daily capacity of
the mines as being in part due to:

"a system of working that the miners have been allowed to acquire as no regulation whatever had been made to keep them regularly at work, they only work when they like ..." 93

When questioned in 1862 as to the hours of work of boys employed in his Minmi mine Alexander Brown replied:

"The usual working hours, from six to six." 94

The miners were in a very strong position before 1855 owing to the scarcity of labour following the gold rushes and were in receipt of high wages: these conditions probably explain the irregularity of their working habits: their position had weakened to some extent by 1862 but the evidence given by Alexander Brown to the Select Committee on the Coal Fields Regulation Bill suggested that his miners were still in a position to dictate certain of the terms of their employment including the state of ventilation of the mine. 95

The presence of dangerous gases of an inflammable type was still rare but Alexander Brown knew, in 1862, of its existence in the Newcastle Wallsend Company's mine, in a mine at Hexham and that it had exuded in a small flow from a borehole underneath the A. A. Company's pit where the miners amused themselves by lighting it with their matches. 96

Accidents due to falls were occurring in the 1850's and in February 1857 a miner was killed by a fall from the roof in the C. & C. Company's mine and Alexander Brown referred to several such accidents which had occurred in this mine before 1862. 97

During the 1850's the miners of Newcastle and their employers displayed an inability to settle their disagreements without resort to direct action which was to be characteristic of the industry after 1860.

The A. A. Company miners struck work in 1850 in support of their demand that the hewing rate be raised from 4s. Od. to 4s. 6d. per ton. They were successful on this occasion and again in 1852 when they obtained an increase of 6d. to lift the rate to 5s. Od. per ton without a strike. 98 In July 1853, their further demand for 1s. Od. per ton increase was acceded to and the Company agreed to the introduction of a sliding scale under which the hewing rate would rise or fall with the price of coal. 99

An understanding that wages would fluctuate in accordance with the price of coal appears to have been firmly established during the 1850's though it was challenged by one proprietor in 1857. 100 When prices were reduced in the closing months of 1858, wages were also lowered without apparent protest. 101
Disputes in 1856 and 1857 closed the mines: acts of intimidation occurred as the management brought in fresh labour: miners were prosecuted and both miners and proprietors won victories. These disputes called forth expressions of anxiety for the welfare of the coal trade which have a modern ring about them.\(^{102}\)

On 20th July, 1857 the A. A. Company colliers struck for an advance in wages and a newspaper correspondent suggested that the strike was still young and that there was hope for a settlement

"before it grows old and aggravated on either side, or before any serious consequences shall have arisen inimical to the interests of the port."

He went on to say that the price rise was unfortunate

"since the steady and comparatively moderate price which has ruled for some time was beginning to induce confidence in the character and stability of the coal trade of Newcastle."\(^{103}\)

He considered that the increased price of coal was likely to impede its progress and the efforts of those trying to extend the trade through the Southern Hemisphere.

The growing tendency of the miners to seek strength through unity was revealed in 1858 when the miners of Newcastle held a meeting in St. John's school room to arrange for a petition to be presented to the Legislature asking for the appointment of a government inspector of collieries. They were seeking the assimilation of the 1854 N.S.W. Act, which merely gave the Examiner of Coalfields power to examine mines as a savant, with the British Act of 1855 which appointed an inspector and invested him with power to regulate those matters which were connected with the health and safety of the workmen. When the meeting ended, another was called immediately to raise funds for the victims of the colliery disaster at Bardsley near Manchester.\(^{104}\)

In his evidence to the 1862 Select Committee on the Coal Fields Regulation Bill, Alexander Brown made two statements which assist in determining the status of the miners at the end of the 1850's. Asked if there was any difficulty getting convictions against the men under the Master and Servants Act, he replied:

"It is a most difficult thing. I have had many cases for years back, and have never got a conviction; but all the men have to do is to summon their employers, and they get convictions at once."

At the end of his evidence he added with regard to the conduct of the Newcastle Bench:
"We have very great reason to be dissatisfied with them. There has always been a leaning towards the men, and a desire on the part of the Magistrates to court popularity."

In discussing matters of ventilation Alexander Brown explained that:

"the men themselves are in such a position now, that if they (the mines) were not well ventilated they would have a meeting, decide that the mine was not well ventilated, and stop working. We are completely at the men's mercy, and have been for some years back." 

Brown was overstating the strength of the men in 1862 but the fact that he attributes such power to the employees for "some years back" is of interest.

Though the period 1847 to 1858 was one of substantial development the industry was still producing only 216,000 tons in 1858. There had been no basic change in mining technique but during the 1850's there were signs that Newcastle was equipping itself for a much greater role in Australian industrial growth.

In 1857 the first steam locomotives were introduced, improved wharf loading appliances were installed to replace the Burwood mines' hand-barrows and the port's first lighthouse was constructed. In the same year tenders were called for the construction of the first lifeboat for a port which was to wreck at least fifty vessels and in 1859 the first tug boat service was established. Of great significance, too, was the arrival of the first steam dredge in February, 1859, for the harbour was very shallow and choked with sand. These developments and the establishment in 1857 of the first direct shipping link between England and Newcastle indicated that the industry was leaving the wheelbarrow period of its development.

While Newcastle moved slowly into a new industrial era James and Alexander Brown took advantage of a decade of high prices to raise themselves from their precarious status as part owners in the small Four Mile Creek business to be shipowners, merchants, men of wealth and finally the purchasers of a mining property which was to be the basis of the fortunes of the firm for the rest of the century. Alexander had emerged as the dominant personality in the partnership and the experienced and enterprising brothers were already recognised as dangerous rivals. They had already revealed, too, a lack of scruple which was to enable them to survive in the days of intense competition which were to follow.
CHAPTER TWO

Trials and Tribulations, 1859-1872

There were three vitally important developments in the N.S.W. Coal industry in the period from 1859 to 1872: demand, and hence output, grew rapidly, there was an increase in the number of firms operating collieries so that capacity to produce exceeded demand and the price of coal suffered a prolonged fall. (See Figure 2).

In 1859 New South Wales produced 306,000 tons of coal: the two principal Northern producers, the A. A. and the Coal and Copper Companies raised 238,000 tons and the average price realized for all coal was just over 13s. 3d. per ton. By 1872 total output was 1,012,000 tons: six principal Northern collieries produced 857,000 tons and the average value of all coal raised was slightly more than 7s. 9d. per ton.

New South Wales output had increased over the previous years' output in 1859, 1860, 1862, 1864, 1865, 1866, 1868, 1871 and 1872, but there was one slight fall (4,000 tons) in 1867 and four heavier falls of 26,000 tons in 1861, 43,000 tons in 1863, 34,000 tons in 1869 and 51,000 tons in 1870. The production level of 1868 was not again achieved until 1872. (See Table 8 and Figure 3 below).

The average value of all coal produced in New South Wales declined from 13s. 3d. per ton in 1859 to 12s. 3d. in 1860 before increasing to 12s. 1ld. in 1862: it then began a long decline which was checked by price agreement in 1867 but not finally arrested until 1872. (See Table 8 and Figure 3).

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Average per ton to the nearest penny</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>s.  d.</td>
<td>£</td>
</tr>
<tr>
<td>1860</td>
<td>368,862</td>
<td>12 3</td>
<td>204,371</td>
</tr>
<tr>
<td>1861</td>
<td>342,067</td>
<td>12 10</td>
<td>218,620</td>
</tr>
<tr>
<td>1862</td>
<td>476,522</td>
<td>12 10</td>
<td>305,234</td>
</tr>
<tr>
<td>1863</td>
<td>433,889</td>
<td>10 11</td>
<td>236,220</td>
</tr>
<tr>
<td>1864</td>
<td>549,012</td>
<td>9 11</td>
<td>270,171</td>
</tr>
<tr>
<td>1865</td>
<td>585,525</td>
<td>9 4</td>
<td>274,303</td>
</tr>
<tr>
<td>1866</td>
<td>774,238</td>
<td>8 4</td>
<td>324,049</td>
</tr>
<tr>
<td>1867</td>
<td>770,012</td>
<td>8 11</td>
<td>342,655</td>
</tr>
<tr>
<td>1868</td>
<td>954,231</td>
<td>8 9</td>
<td>417,909</td>
</tr>
<tr>
<td>1869</td>
<td>919,774</td>
<td>7 7</td>
<td>346,146</td>
</tr>
<tr>
<td>1870</td>
<td>868,564</td>
<td>7 3</td>
<td>316,836</td>
</tr>
<tr>
<td>1871</td>
<td>896,784</td>
<td>7 0</td>
<td>316,340</td>
</tr>
<tr>
<td>1872</td>
<td>1,012,426</td>
<td>7 10</td>
<td>396,198</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report for 1914 page 36.
FIGURE 3: N.S.W. OUTPUT AND AVERAGE VALUE OF COAL 1860-1872
Source: The Annual Report of the N.S.W. Department of Mines for 1914

Output

Price
Figure 4: N.S.W. Output by Destination 1860-1872

Source: The Annual Report of the N.S.W. Department of Mines for 1914

- Australasian Trade
- Foreign Trade
- Home Consumption
Between 1859 and 1872 the intercolonial trade increased with remarkable steadiness with slight annual decreases in only two years 1867 and 1870. New South Wales annual consumption increased by more than 250% over this period but marked reductions occurred in 1863, 1869 and 1870.¹ (See Table 9 and Figure 4).

<table>
<thead>
<tr>
<th>Australasian Ports</th>
<th>Foreign Ports</th>
<th>Home Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
<td>140</td>
<td>94</td>
</tr>
<tr>
<td>1861</td>
<td>157</td>
<td>51</td>
</tr>
<tr>
<td>1862</td>
<td>195</td>
<td>113</td>
</tr>
<tr>
<td>1863</td>
<td>214</td>
<td>84</td>
</tr>
<tr>
<td>1864</td>
<td>284</td>
<td>89</td>
</tr>
<tr>
<td>1865</td>
<td>293</td>
<td>90</td>
</tr>
<tr>
<td>1866</td>
<td>344</td>
<td>197</td>
</tr>
<tr>
<td>1867</td>
<td>312</td>
<td>161</td>
</tr>
<tr>
<td>1868</td>
<td>329</td>
<td>219</td>
</tr>
<tr>
<td>1869</td>
<td>340</td>
<td>255</td>
</tr>
<tr>
<td>1870</td>
<td>336</td>
<td>243</td>
</tr>
<tr>
<td>1871</td>
<td>379</td>
<td>187</td>
</tr>
<tr>
<td>1872</td>
<td>394</td>
<td>275</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report for 1914.

The increased Australian coal consumption may be generally attributed to the rapid and stable growth of the economy between 1860 and 1872 though there were slight and brief downward fluctuations of the trade cycle in 1863 and 1871.² Lack of information about consumers of coal makes it difficult to be more specific but reference can be made to railways, which probably consumed more coal than any other single industry, and to gas making. By 1861 there were 205 miles of government railway line in operation in Australia and by 1871 this had increased to 970 miles. N.S.W. Railways operated for only 14,107 train miles in 1855, the first year for which data is available, but by 1860, they were logging 174,249 train miles and in 1872 they exceeded 1,000,000 train miles. (See Table 10).
<table>
<thead>
<tr>
<th>Year</th>
<th>Train Miles Logged 1860-1872</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
<td>174,249</td>
</tr>
<tr>
<td>1861</td>
<td>214,881</td>
</tr>
<tr>
<td>1862</td>
<td>274,565</td>
</tr>
<tr>
<td>1863</td>
<td>315,177</td>
</tr>
<tr>
<td>1864</td>
<td>415,422</td>
</tr>
<tr>
<td>1865</td>
<td>483,446</td>
</tr>
<tr>
<td>1866</td>
<td>490,475</td>
</tr>
<tr>
<td>1867</td>
<td>600,751</td>
</tr>
</tbody>
</table>

**Source:** N.S.W. Department of Railways and Tramways Annual Report for 1898.

Gas consumption was also increasing as some of the major towns of New South Wales and presumably of the other colonies, established gas works between 1860 and 1872: the rate of this development was to accelerate in the 1870's and 1880's. In 1861 New South Wales had only one gas works: by 1872 there were nine.  

The virtual disappearance of English coal from the Eastern Australian markets may be attributed to the development of the New South Wales mines which were left in possession of the field. The last year in which English coal was imported into Victoria in a significant quantity was 1859 when 16,000 tons was landed: imports never exceeded 2,000 tons after 1864. 

The foreign trade was much less stable with reductions occurring in 1861, 1863, 1867, 1870 and 1871: at its lowest level, in 1861, it absorbed 51,000 tons, and at its highest, in 1872, 275,000 tons were exported. (See Figure 4 and Table 9). Most of this coal was going to Asian and North American ports. The nature of the overseas trade is discussed at length in Chapter Three.

**TABLE II:** N.S.W. Coal Exports to Principal Foreign Ports

<table>
<thead>
<tr>
<th>Destination</th>
<th>1862</th>
<th>1865</th>
<th>1868</th>
<th>1871</th>
<th>1874</th>
</tr>
</thead>
<tbody>
<tr>
<td>China (incl. Hongkong)</td>
<td>66</td>
<td>29</td>
<td>33</td>
<td>54</td>
<td>108</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>11</td>
<td>23</td>
<td>93</td>
<td>64</td>
<td>149</td>
</tr>
</tbody>
</table>

**Source:** N.S.W. Statistical Registers 1862-1874.
During the period 1859-72 J. & A. Brown remained a partnership under the sole control of its founders James and Alexander Brown but two members of the family who were to play a significant part in its development entered the firm. Alexander, the son of Dr. William Brown of Maitland, (hereafter referred to as Alex) qualified as a solicitor before entering the Newcastle office where he became Alexander Brown’s assistant.\(^5\) John Brown (1851-1930) began as a junior in Newcastle in 1863 when he was twelve: he was born at Morpeth, educated in Newcastle and spent the rest of his life working in various capacities for J. & A. Brown.\(^6\)

The ships’ chandlery and general mercantile activities of the firm were carried on throughout this period and Browns continued to import Asian products until at least 1861.\(^7\) The partners also engaged in some mortgaging activities in the early 1860’s.

The Mirrmi coal mine and Mirrmi to Hexham railway (see Map 1 in Volume II) were purchased from John Eales on 12th March, 1859, and with their acquisition, coal mining again became the principal business interest of James and Alexander: James to manage the colliery and Alexander to concentrate on the commercial activities of the firm.\(^8\) When Browns bought Eales’ mine, one coal company’s manager commented:

“Mr. A. Brown is a shrewd, pushing man ... the two brothers are practical men and although labouring under considerable disadvantages at such a distance up the Hunter, we shall shortly feel that we have competitors which could never have been the case so long as Mr. Eales was content to jog on his own slovenly and profitless manner and his coal miners half the year out on strike.”\(^9\)

In February, 1860, Browns were selling a coal of good quality at a low rate and

“Loading a large vessel for China in deep water at 13s. Od. per ton”

and the A.A. Company was offering concessions to try to capture a share of the China trade.\(^10\) By 11th May, 1860, J. & A. Brown were pushing their trade in every direction, shipping large quantities into small vessels at Hexham and sending coal in punts ten miles down river to Newcastle for discharge into ships in deep water.\(^11\)

While in England purchasing equipment for the colliery (see page 43) Alexander Brown called on Messrs. Baine and Company of Liverpool to endeavour to persuade them to purchase coal at Newcastle and
after some initial reluctance on the part of Baines to risk their ships in such a port, he succeeded and two large vessels arrived in Sydney in May 1860 to unload cargo, then to proceed to Newcastle to load Mimi coal for the West Coast of South America on account of the Pacific Steam Navigation Company at 14s. 6d. per ton.\textsuperscript{12} The average price of all coal sold for shipment to foreign ports in 1860 was 17s. 0d.\textsuperscript{13} An examination of the weekly returns printed in The Newcastle Chronicle for 1862 indicates that in that year Browns sold about one third of their coal in Sydney, approximately one third in Victoria and Adelaide and the remainder went abroad, principally to New Zealand, China and the Pacific Islands.\textsuperscript{14}

In order to prosecute the Sydney trade, Browns purchased/propeller-driven collier, the "S.S. Corio" which was hailed by the press as the first screw steam collier ever used in Australian waters. She startled the coal trade by arriving in Newcastle on a Thursday, loading 230 tons of coal in three hours and reaching Sydney the following day. The Newcastle Chronicle proclaimed that:

"J. & A. Brown had led the van of colonial enterprise."\textsuperscript{15}

By the use of such methods Browns were able to sell 44,000 tons in 1860, 59,000 tons in 1861 and to lift their 1862 sales to 111,000 tons despite their location and in a period when the mine was being re-equipped.\textsuperscript{16} The Newcastle Wallsend Company had a similar success in expanding trade in 1861 and 1862 and the sales of both the older companies, the A. A. and the Coal and Copper, fell sharply. (See Table 12, page 40). In similar later situations such competition for trade resulted in sharply declining prices but the average value of Newcastle coal had actually risen between 1860 and 1862 from 12s. 3d. to almost 12s. 10d. per ton.\textsuperscript{17}

By judicious price reductions Browns had managed to establish themselves at the expense of their older competitors, who chose to maintain the price of coal while losing not only their premier position in the industry but suffering an absolute reduction in trade.

The A. A. Company had reduced its labour costs in 1862 but its coal was still costing almost 10s. 3d. per ton in 1863 and with costs at this level the Company may have declined to reduce in order to protect its profit margin. It was in no position to enter a price-cutting war with Browns, who were shown, by an independent investigation conducted in January 1863, to be raising their Mimi coal for 4s. 0\textsuperscript{1/2}d. and 4s. 5\textsuperscript{1}{1/2}d. per ton. Loaded coal was 6s. 5d. at Hexham and 8s. 6d. at the port of Newcastle. The position of the Coal and Copper Company was similar: the quality of its coal was deteriorating and it faced heavy capital expenditures necessary for extensions to its railway.\textsuperscript{19}
Browns occupied a position of advantage: their cost advantage in raising coal exceeded their cost disadvantage in transporting it to Newcastle. They had no shareholders to satisfy so that they were not under pressure for quick profits as so many of the 19th century coal companies were, often with wasteful results in colliery management. This ability to forego profits was to remain an advantage in securing trade: the two brothers could place expansion before profit and answer to no-one: there were no shareholders and as owner-managers their position was stronger than that of most of those who controlled Newcastle mines as employees of British or Australian companies. They were enjoying a position which others were to find very rewarding later in the century: they were free to cut their prices while their competitors maintained a comparatively high price level but that situation could not last.20

Between 1859 and December 1862 capacity to produce had far outpaced demand: the price of coal was still high in comparison with the cost of producing coal: it was almost inevitable that price cutting would be resorted to by those producers who were losing their share of the market.

In August 1861 the F.C.B. price of A.A. Company coal was still 14s. Od. per ton but the company found it necessary to double the rebate of 1½d. which agents received and The Newcastle Chronicle described how arriving ships were hunted "with beggarly anxiety" by three or four companies.21

By December 6th, 1862, The Newcastle Chronicle was reporting that supply had far outrun demand and that some collieries were forced to ship coal on colliery account in order to make sales. Such sales were to become characteristic of the industry during the 1860's and had a disruptive effect in coal markets and a depressing effect on prices. The despatch of cargoes of coal to colonial or foreign markets in ships chartered by the colliery proprietors were risky ventures: their arrival was unheralded, the state of the market determined the price obtained and sales at low prices tended to disrupt the business of the local coal merchants with repercussions on normal N.S.W. trade.22 In January, February, June and August, 1862, J. & A. Brown were seeking to charter vessels to carry coal to Sydney, Melbourne, Adelaide, Otago and California: an indication of the extent of their shipments on their own account.23 The advertisement was standard and frequently repeated suggesting that it was their intention to ship coal to these ports: they were not seeking charters to fill particular orders. Early in 1863 one colliery proprietor reported that many of the large vessels in port were already chartered to take Minni coal.24

On 14th February the A.A. Company reduced the price of its coal from
14s. Od. to 13s. 6d. less 2½% discount and The Newcastle Chronicle showed prophetic insight by suggesting that this reduction might not be sufficient to recapture the company's lost trade, that its reduction could provoke further reductions and that coal was likely to sell at 12s. Od. net before long. It was the beginning of a long slide in prices which brought coal values to levels which had not prevailed since the 1840's: the average value of N.S.W. coal produced in 1866 was just over 8s. 4d. per ton. 25

On the eve of the A. A. Company's decision to reduce, J. & A. Brown moved to reduce their dependence on the coal industry. Alexander, in particular, appears to have been more interested in entrepreneurial adventures than in the steady, long-term exploitation of the resources under his control. Mimmi had been acquired cheaply on a small deposit of £8,500 (see below page 42 for full details), had been re-equipped and its trade expanded and then, in January 1861, Browns expressed their intention of forming a company in Melbourne for the purpose of acquiring it. 26

When the prospectus of the Melbourne and Newcastle Mimmi Coal Mining Company was issued in 1863, E. Merewether, the Superintendent of the A. A. Company commented:

"a fair proportion of the gentlemen who are named as provisional directors are men of standing and substance but some of the statements put forward in the prospectus are scarcely to be relied on." 27

Browns sold Mimmi to the company for £150,000, accepting half the shares in the company as part payment: in addition they were to receive part of the remainder of the purchase money in instalments. 28 The tone of newspaper comment was congratulatory. The taking up of all the shares in the company

"will prove of benefit to the Messrs. Brown who have shown so much energy in carrying this large concern to the high position in which it is now regarded." 29

Subsequently the same paper explained that Browns had developed Mimmi

"until the out-turn at last necessitated additional superintendence to conduct a business acquiring dimensions so far beyond the original design, and outgrowing the powers of the brothers." 30

By 25th February 1863, the colliery had been handed over and Browns
retained only their undeveloped coal lands, Hartley Vale and Waratah. They were fortunate to have sold Mimmi at this time for competition was intensifying. New South Wales was suffering a slight depression and in 1863 home consumption fell by 43,000 tons. There was a reduction in the foreign trade too. During the year the Melbourne and Newcastle Company produced 90,518 tons at an average value of slightly less than 10s. 6d. per ton. The A. A. company averaged just over 10s. 6d. per ton for an output of 72,430; it was the only company to increase its sales during 1863.

In June 1863, the Mimmi colliery was working no more than half time and men were being put off when the Australasian trade was usually at its peak. The complaints about poor trade were still being made in November 1863, when shipments to China and the East were claimed to have ceased, the Melbourne and Sydney markets were glutted and the collieries were working irregularly. By the end of 1863 the price of coal had dropped until the advertised prices were: A. A. Company 10s. Od., Melbourne and Newcastle 11s. 6d., and WallSEND 10s. Od. but sales were being made at 9s. Od. per ton. The Melbourne and Newcastle Mimmi Mining Company expected that the year 1864 would be very satisfactory for the company as it had secured some substantial contracts but prices continued to fall and then in June 1864, its mines were flooded when the coal trade was at its busiest: the company never recovered and the property reverted to Browns in 1865. (See page 34).

After handing over Mimmi in February 1863, Browns turned their attention to the pastoral industry and Alexander interested himself in a shipping venture: both projects failed and added to the financial problems which were to beset them in the second half of the decade.

In May Alexander left on R.M.S. "Madras" for Marseilles but bound eventually for the United States where he hoped to buy ships and merchandise which he believed would be cheap because of the American Civil War. The Bank of Australasia had advanced him £16,000 for the purpose, but his need for additional money for this venture explains Browns' foreclosure, at this time, on the brig "Success." They exercised their rights as mortgagees and sold the vessel by auction to the dismay of the owner who declared that "such stringent conditions ... were rarely to be met with." He was referring to Browns' advertised terms of sale: cash and no reserve price. The vessel was sold to its captain who was presumed to be acting for the owner, for £2,500.
Alexander reached the United States and returned to England without having utilized the further credit which had been extended to him by the Australasia's Head Office. 38

While Alexander was abroad James negotiated the purchase of "Redbank," a Queensland cattle and sheep grazing property for £15,000 cash: £5,000 of this was advanced by the Bank of Australasia as an overdraft to be redeemed by income and repayments of the money owed by the Melbourne and Newcastle Mimm Coal Mining Company. Though disappointed with the results of the sale of their 1864 wool clip, Browns took up more pastoral properties in 1865 which were managed by James Brown. 39 After the failure of the Melbourne and Newcastle Company (see below) the Bank ordered the sale of "Redbank" in September 1865 to recoup its interest in it. It proved difficult to sell and the Bank added it to its own properties in 1866. Browns retained some pastoral holdings until the early 1870's but admitted in Australian Men of Mark that they had lost £25,000 by their squatting ventures. 40

The flooding of its mine created new difficulties for the Melbourne and Newcastle Company and at its third half yearly meeting on 27th July, 1864, after the directors had made a call for a further £1 per share on shares numbered 7501 to 15000, it was decided that a circular be sent to shareholders demanding that the books be examined, losses ascertained, and that

"if it be determined, after examination, to carry on the company, the amount of losses being ascertained, the amount thereof be obtained by a contribution pro-rata upon all shares." 41

Shares numbered from one to 7500 were Brown's.

When this special financial report was presented to shareholders on August 12th

"the liabilities of the company were about £11,000 in excess of the whole of the assets including the unpaid capital." 42

A committee of four including Alexander Brown was set up to suggest a future course of action. The committee's recommendations were based on an offer by the Browns to allow the payment of the £25,000 due to them on mortgage to stand over, on condition that £12,500 would be paid in 1867, the rest in 1869, and that the whole sum bear interest at 7% per annum. The shareholders decided to agree to the further call on their shares 7501 to 15000 as soon as the Browns finally agreed to make this concession.
On September 5th, J. & A. Brown modified their offer by this telegram:

"After execution of first mortgage will extend time under another mortgage £5,000 February 1865; £10,000 January, 1867; £20,000 June, 1869, at seven per cent. James and Alex Brown will undertake direction and entire management." 43

This telegram caused some confusion for Browns took over the mine under protest from its management and then relinquished it shortly afterwards. 44

In November, 1864, it proved necessary to obtain an order of the Victorian Supreme Court to try to obtain the £1 per share called in September: by then the Company was facing action in New South Wales to recover £1,500 due to its employees. 45 (See below page 52). J. & A. Brown, having bought a debt owed by the Mimmi Company to the Waratah Coal Company, applied in the name of the latter company to the N.S.W. Supreme Court for a writ under the Foreign Attachment Act and having obtained it, took possession of all the rolling stock of the Mimmi Company which was advertised to be sold on 9th December. 46 The Mimmi Company sought an order of the N.S.W. Supreme Court to prevent this sale on the grounds that "the order had been obtained by the collusion of Waratah Coal Company and one Dibbs but the charge of collusion could not be proved." 47 Subsequently the Victorian Supreme Court wound up the Company and returned the Mimmi property to Browns in liquidation of its debt to them of £17,500. 48

J. and A. Brown were once more directly involved as colliery proprietors in the N.S.W. coal industry but Mimmi was not in regular work again until December, 1865, partly owing to the dispute between Browns and the Mimmi miners over wages due to them for work performed in 1864. (See below page 52).

By the end of 1865 Browns were in financial straits as their pastoral investments were falling; they still possessed substantial coal properties but that industry too was experiencing difficulties. Prices were falling as the proprietors struggled for trade in an oversupplied market. 49

During 1864, 1865 and 1866 several attempts were made to unite the coal owners in support of price regulation or more ambitious schemes involving the sharing of trade between the proprietors on an agreed basis. Alexander Brown proposed an amalgamation of the principal mines, to put

"an end to the ruinous competition that has existed for years and thereby raising and sustaining the value of the coal properties." 50
W. C. Wentworth, who was in England, agreed to take part in this scheme: his Mimi property was underdeveloped but could have endangered any monopolistic solution of the industry's problems.51

Alexander may have had the successful consolidation of the Burwood Estate mines of 1856 in mind but agreement could not be reached. Amalgamation was to be often suggested subsequently but as the number of producers increased, coal types and mining problems diversified and rivalries and antipathies intensified, this solution became more and more unlikely.

Finally, on 21st November, 1866, an agreement between the A. A., the Scottish Australian, the Waratah, The Co-operative, the Newcastle Wallsend and the Burwood companies and J. & A. Brown, established a price of 9s. 3d. for best screened coal at Newcastle.52 The difficulty of accommodating the seven producers is indicated by the exceptions to the minimum price. The existing contracts of the Lambton Company at 8s. 3d. per ton were excluded: this was to be standard practice in all subsequent price agreements: J. & A. Brown were permitted to sell at 8s. 1ld. per ton; Dr. Mitchell, of the Burwood Company was allowed 6d. per ton reduction and the Co-operative Colliey was permitted to sell at 9s. 0d. for twelve months or until its sales exceed 1,000 tons per week.53 Within three weeks Alexander Brown was protesting to the Superintendent of the A. A. Company about the Waratah Company's infringements of the agreement: it was offering concessions which had been outlawed but he tempered his protest by requesting that the matter

"be handled gently as the Waratah Company gives us a good deal of work and they may withdraw it altogether if we pitch into them too much." 54

The Waratah Company was offering the shipping masters free towing to and from its loading wharf and Browns' tugs performed the work.

In June 1867, the roles were reversed: Waratah was complaining to the other signatories to the agreement about sales of Mimi coal at less than the agreed price in Sydney and about the continuance of Mimi shipments to Melbourne which were interfering with its trade. The other proprietors denied this, and other charges made by Waratah and though they made some concessions it withdrew from the agreement.55 In September 1867, the proprietors, with the exception of Waratah, agreed to raise the price of best coal to 10s. 0d, net cash from 1st January, 1868. A reduction was again allowed for Browns who could sell Mimi coal at 9s. 6d, for general sales and 9s. 8d, for contracts until their total sales reached 100,000 tons per annum, but this agreement was to be shortlived and Browns were at least
partly responsible for its demise in August, 1868. 56

In 1866 Mimi yielded 35,000 tons of coal, in 1867, 85,000 tons but Browns decided to develop Hartley Vale, a property adjoining the Co-operative Colliery, which they had probably purchased under the 1861 Alienation Act. 57 This decision may have been prompted by the lowered price of coal and the high cost of transporting the produce of Mimi to Newcastle.

Hartley Vale was a failure: a shaft was sunk and machinery installed but the seam proved to be too thin to be profitable and it was abandoned at a loss of £18,000. 58 At about this time Alexander Brown heard that the Lambton Company had omitted, apparently by oversight, to pay two years' rent due to the New South Wales Government on one of its mining leases close to Browns' Hartley Vale Railway. The lease consisted of 270 acres of the company's best coal bearing land and Brown's application to the Government for its re-allotment to them was successful. By December 1867, they were preparing to work this property which they called New Lambton, in order to take advantage of the established "Lambton" name and, no doubt, to advertise that the new coal came from the same source. 59 This coup provided J. & A. Brown with a mine which yielded very high tonnage in its early years.

In 1868 Mimi produced 69,000 tons and New Lambton, a further 132,000 tons, making Browns the leading producers in New South Wales for that year. (See Table 12).

In order to sell such an increased amount of coal, though some of it may have been consumed in copper smelting on the estate, J. & A. Brown made a determined effort to capture a share in the Melbourne trade and reduced their prices below the agreed level to do so. The A. A. Company's Melbourne agents protested:

"They have but to tell you coals are on Barlow's (a man of no means who could not sell at a loss if full price was charged) or any one else's account, and ship away, getting back but 7s. Od. or 8s. Od. net, in fact sometimes less for their cargoes, and they are selling a coal here they call New Lambton equal to any raised, selling at all prices and we cannot go on competing with them for charters." 60

Browns were not alone in their evasion of the agreement for the Lambton Company was accused of deliberately giving overweight and the Co-operative Company was also selling at lower than agreed prices in
the Melbourne market: its quantity was smaller and its quality inferior to Browns but it contributed to the problems of those importers who dealt with the A. A. Company which abided by the agreement. When the time approached for the fixing of the declared selling price for 1869, Alexander suggested that the agreement should be renewed and that prices should either be maintained or increased by 1s. Od. He considered that there was no chance of new mines opening in the North except Woolford's which would have an uncertain future and he judged the Southern District mines to already have as much work as their harbours permitted. He pointed out that a 1s. Od. per ton increase would yield the district an extra £30,000 which would be "a good thing for the mines."  

The other proprietors were not so satisfied and the Lambton Company complained about Browns' and the Co-operative Company's speculative shipments to Melbourne at the meeting of proprietors on 19th August, 1868. Browns produced details of their exports to Melbourne which were accepted by the majority as not excessive though there was a remarkable difference between their and the newspaper's estimates. They claimed they had sent a weekly average of 140 tons of New Lambton coal and 110 tons of Mimi coal until two months previously when, following losses on the Mimi coal they had discontinued its shipment. Lambton's representative then announced his withdrawal and, when challenged, admitted that he had already reduced his price in Melbourne. This action destroyed the agreement and competitive price undercutting recommenced.

By September 5th, the price had fallen to 8s. Od. The proprietors addressed a joint letter to the Board of Directors of the Scottish Australian Mining Company reviewing the pricing policies of the period 1866 to 1868 and condemning the action of their manager in withdrawing from the association thus creating a situation where "capital to the amount of about half a million sterling is rendered comparatively unproductive,"

The decision of Young of the Lambton Company to reduce his Melbourne prices between meetings of the proprietors after having agreed not to do so, elicited a bitter comment from Merewether to the effect that Young was

"a dishonourable fellow and ought to be held up to the scorn of all men."  

Personal animosities of this nature long rankled and rendered the task of maintaining unity among the proprietors more difficult.

The ending of price maintenance by agreement was followed by a drop in the average value of N.S.W. coal from 8s. 9d. in 1868 to 7s. Od. in 1871. Such a decline impoverished the mine owners, their employees
Browns were in straitened circumstances in 1865 when Mimmi yielded nothing but involved its owners in legal costs and overdue wage bills from 1864 (see below page 52) as well as the cost of maintenance. By September they were trying to sell all their coal properties and Merewether described them as

"quite sick of the whole business and (they) would be glad to be out of it on almost any terms." 67

In 1866 they were offering to sell Mimmi for £120,000 and their other coal lands for £20,000 but failing to find a purchaser they decided to press on with the development of Hartley Vale. 68

In February 1867 Browns sought an unsecured overdraft of nearly £1000 from the Australasian Bank which had been handling their banking activities since the 1850's but the manager refused the request in view of the "hampered position" of Browns. They then transferred their account to the Bank of New South Wales to the expressed relief of the Australasian Manager who was then able to press for payment of Browns' "large dormant liabilities": they had Secured Advances of £13,000 and an overdue promissory note for £1000 and the Mimmi Mine had been involving Browns in capital expenditure which they could not afford, for some months. 69

By April 1867, though Browns had paid up the interest owing to the bank during March by shipping wool to the value of £600 from "Redbank," the bank's solicitor instructed the Newcastle manager to take possession of the property which Browns had used to secure their advance of £13,000: their house property in Newcastle which was estimated to have cost £15,000, and "Redbank". When the bank tried to realize on these properties they found that they had diminished in value so that the station was assessed at £10,000 and the housing at £4,000. Browns endeavoured to raise £5000 on the security of their house to retrieve it from the bank but failed and it was to be sold. 70

In November 1868, J. & A. Brown offered to transfer all their banking business to the Australian Joint Stock Bank if it granted them an advance of £15,000 on the security of the New Lambton Colliery and 2,600 acres of coal land at Mimmi. After investigating the indebtedness of the firm the Bank declined the offer. 71

Browns then appealed to their existing bank, the New South Wales, for an advance of £15,000 on the same security and the Bank agreed on the condition that the overdraft was reduced by at least £2500 per annum
and that the Bank have the right to call up the advance at any time. Browns were seeking to repay the mortgage on the Mimmi property which John Eales had agreed to in 1859 but they then notified the Bank that they had been able to extend for a further three years the existing arrangements with regard to Mimmi and consequently did not require £15,000 but only £8,000 which the Bank advanced on the security of the New Lambton property only.72

By December 1869 Browns had increased their cash credit with the N.S.W. to £16,000 but on 10th May the Inspector of the Bank wrote to the Newcastle manager noting

"that J. & A. Brown's discounts are very heavy as well that their overdraft is considerably beyond its limit. Considering the large amount of discount accommodation we give them, they should keep their open account within the amount of the Bond and the General Manager in examining your return of the half year remarks that they must do so. I hope that you scrutinize their paper under discount before you pass it ..."73

During 1870 Browns sought and obtained some additional loan money to transform some of their New Lambton leasehold land into freehold but when they sought an extra £1000 in February 1871 they were informed that further sums could only be advanced upon adequate security. They were then granted the £1000 in return for an undertaking to reduce their advances to £15,000 within 6 months.74

Browns' financial standing with the Bank continued to be doubtful during the whole of 1871: thereafter the records yield no further information.

While J. & A. Brown were undergoing these financial trials they closed the Mimmi Colliery which produced only 13,000 tons in 1869 but maintained the output of the New Lambton Colliery at between 90,000 and 125,000 tons between 1869 and 1872. (See Table 12).

Browns' difficulties, which were to some extent shared with the other proprietors, were intensified by a severe fall in New South Wales coal consumption in 1869 and 1870. (See Figure 4).

The year 1869 was generally prosperous: exports from the state increased substantially; imports decreased, but only slightly, and the railways carried on very much greater amount of goods and livestock than they ever had before.75 The reduction in coal sales in this environment is difficult to explain especially as copper production rose from 816 tons in 1868 to 2,084 tons in 1869.76
The Wallaroo Company started to send low grade ores to Newcastle for smelting in 1867 and the English and Australian Copper Company also established a smelting works in Newcastle, on the New Lambton estate of J. & A. Brown in that year. Brown agreed to supply the latter company with small coal, which was usually unsaleable, at a fixed rate of 3s. Od. per ton for 21 years from 1867 and the company also received free access to the colliery railway and free haulage on it and certain other concessions.

Copper production was not sustained at the 1869 level: it fell to 1,000 tons in 1870 when the economy was generally less buoyant. However the railways again increased their activity and presumably their consumption of coal.

This fall in N.S.W. consumption and the slight reductions in the foreign and intercolonial trade in 1870 exacerbated an already difficult position for the coal companies and made agreement between the proprietors difficult to achieve. Nevertheless it was J. & A. Brown which bore the brunt of the loss of trade.

<table>
<thead>
<tr>
<th>TABLE 12: OUTPUT OF PRINCIPAL NORTHERN COLLIERIES 1859-1872</th>
<th>(Round thousand tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proprietors</td>
<td>59 60 61 62 63 64 65 66 67 68 69 70 71 72</td>
</tr>
<tr>
<td>Australian Agricultural Co.</td>
<td>131 135 91 67 72 109 112 131 101 129 164 184 191 184</td>
</tr>
<tr>
<td>Newcastle Coal &amp; Copper Co.</td>
<td>108 112 61 73 57 9</td>
</tr>
<tr>
<td>Newcastle WallSEND Coal Co.</td>
<td>47 125 115 144 154 168 135 128 156 153 141 155</td>
</tr>
<tr>
<td>J. &amp; A. Brown Minni *</td>
<td>44 59 111 90 66 35 85 69 13 0 14 0 131 109 125 90 100</td>
</tr>
<tr>
<td>New Lambton</td>
<td></td>
</tr>
<tr>
<td>Scottish</td>
<td>59 112 151 180 162 166 155 135 149</td>
</tr>
<tr>
<td>Australian</td>
<td></td>
</tr>
<tr>
<td>Waratah Coal Co.</td>
<td>7 55 85 128 113 133 128 59 116 170</td>
</tr>
<tr>
<td>N.S.W. Cooperative Coal Mining Co.</td>
<td>3.5 NA NA 3 NA 30 40 41 58 63 97</td>
</tr>
</tbody>
</table>

* Owned by Melbourne and Newcastle/Mining Company from 1863-1865.

In these circumstances Alexander turned his attention to the need for an agreement to raise and maintain the price of coal. He suggested that a price of 10s. Od. per ton would not hamper the Northern fields: the Western mines had an inferior coal and were handicapped by the

"impractical nature and difficulty of working heavy traffic on the
Great Western Line"

and the mines of the Southern field were limited by poor harbours and a coal more suited for steam than for general purposes. 79 He went on to make a rather wistful comparison with the English coal industry where he believed great profits were being made despite the existence of thousands of collieries with coal of no better quality, with cost of production half what it was in N.S.W. and where the price was higher. 80

Nevertheless the prices remained low and though the declared selling price was 9s. Od., prices usually did not reach that level and the average value of coal raised in the state in 1871 was 7s. 0.47d. per ton. 81 The declared price must only be regarded as a rough standard for much of the history of the history of the N.S.W. coal industry: divergences from it to secure trade were the rule rather than the exception and this proclivity of coal companies in periods when the bonds between the proprietors were not strong or even then, if discovery was unlikely, placed the purchaser in a strong position which was aptly described by E. C. Merewether in September, 1868. Alexander Brown had asked Merewether about his pricing policy and Merewether pointed out that all the producers should endeavour not to reduce below 6s. Od. and that if Browns decided to drop their price by 5d. per ton the Lambton Company would immediately follow suit and

"you will simply get the one cargo if you gain anything and it is not impossible that ... captain will load Old Lambton after all and use your offer to screw the reduction out of Mr. Young. You must now take your own course and God send your decision may not be to reduce at all costs today or this week. Remember A.S.N. and other contracts."

The attempts to gain agreement on price increases failed until October 1872 but the Vend system continued to appeal to some of the proprietors as a solution to the problems of the industry. In August, 1870 there was a meeting of the Newcastle colliery proprietors to consider "the draft agreement for the Vend" but it was not arranged until 1872. 83 (See page 72).

James and Alexander Brown found the years after 1864 trying and their attention was focussed for most of the period on the problem of preventing competitive price cutting which was almost inevitable in an industry with such excess capacity and with a number of colliery proprietors who would not or could not trust one another. Partly as a result of these conditions the Miners' union did not play the important role it was to occupy in later decades but in order to consider Browns' relations with their employees it will be necessary to go back to 1859 and examine the development of the Mimmi property which was to be the keystone of Browns' business edifice for the remainder of the century.
From 1859 to 1872, with the exception of the period from May 1860 to the end of 1862, the miners' district union was relatively unimportant: the miners themselves did not occupy the centre of the historical stage as they frequently did during the subsequent history of the industry. They were of course exerting an influence on its development but not a decisive one. Browns' employees are discernible mainly as miners and residents of Minmi.

In 1853 John Eales and John Christian purchased 320 acres of land at Minmi from which coal had already been won in small quantities by several parties and over a period of years. Between 1853 and 1859 they were estimated to have spent £70,000 on mine development and the construction of a railway from the estate to Hexham, 10 miles north of Newcastle, close to the Hunter River and on the Great Northern Railway linking Maitland and Newcastle. 84

Browns had already purchased 640 acres of land adjoining Eales' holding and on 12th March, 1859, they paid £41,000, including £8,500 in cash which was advanced by the Bank of Australasia, for the mine and railway. The balance was to be paid when convenient plus interest at 6%. 85

Under the direction of Browns the Minmi estate was developed into an impressive colliery township. One resident, writing in 8th June, 1863, somewhat nostalgically, compared the village under Eales with the town after three years of ownership by the Browns:

"Minmi, in the hands of the first proprietor, Mr. John Eales languished and nearly died, but when the Browns came with their army of skilled workmen, their beautiful machinery and plant of proper description, things went ahead astonishingly and in a short time, a little town, as if by magic of an enchanter's wand, sprang up amongst the gum trees ..." 86

The workshops figure large in these contemporary accounts of Minmi. By 18th May they were nearly complete and consisted of a large smith's shop with four fires blown by fan blast, large carpenters' shop, an engineering shop with one big lathe capable of turning engine wheels and being used for wheels for the Newcastle C. & C. Company's locomotives, two smaller lathes, a modern drilling machine, a screwing machine for cutting keyways, a planing machine for iron, a punching and cutting machine, a morticing machine and circular saw and a hydraulic ram for putting on tyres and wheels by pressure. All these tools were driven by a steam engine. 87

By equipping these workshops so elaborately the Messrs. Browns were setting an example which was to be emulated by John Brown in his period as manager after 1884. The Australian Agricultural Company had set a precedent
in the establishment of well equipped workshops when Browns were working coal in Newcastle: this may have influenced the partners: they may also have desired to be independent of other businessmen - a principle which was carried on by J. & A. Brown under John Brown's control.

The first bank draft for purchase of plant was arranged on 5th April, 1859 and there were twelve additional drafts for this purpose between 5th April, 1859 and 19th July, 1861. The major work of refitting the mine and outfitting the workshop was probably over by the middle of 1861 and the drafts then became occasional. The drafts vary in amount from £140 to £1,300: the actual machinery being purchased is not specified in bank records but the total amount expended in this way on machinery for the mine, railway and workshops in this period exceeded £13,100. Alexander Brown made at least one trip and possibly two, to England where he bought equipment from several British firms. 88

Two descriptions of Minmi appeared in the Newcastle Chronicle during 1861. These describe Minmi as, accessible by colliery railway across six miles of swamp from Hexham,

"in the midst of a thickly wooded undulating country. The cottages of the miners are scattered amongst the trees, which here attain a large size." 89

There was

"a fine brick inn, and three more under construction, shops equal to the long established shops of Maitland and a school erected on land given by Browns and partly paid for by them." 90

The papers record that there were 700 inhabitants, many of whom had bought land and erected "comfortable and tasty" cottages for themselves: Messrs. Brown offer great facilities to their workpeople for becoming the owners of their own residence. There were also cottages owned by Browns which

"are of a most superior description to those of the A. A. Company." 91

They were let at only 1s. Od. per week to induce labour to move to Minmi for the A. A. Company charged from 2s. 6d. to 5s. Od. per week for theirs.

In 1861 the Minmi mine had two shafts which reached the seven foot thick coal seam 100 feet below the surface. 92 There the miners laboured: their work differing little from the methods used in the Newcastle mines of the 1850's. Until later in 1861 they were employed to hew the coal and wheel it from the coal face to the bottom of the shaft. "Wheeling" meant pushing or pulling a skip (or small waggon) on rails with payment varying with the distance from the coal face to the point where the colliery's haulage system took over. In the middle of 1861 the rates for hewing and
wheeling were: less than 200 yards, 4s. 6d. per ton, for up to 300 yards, 4s. 9d. per ton and for 400 yards, 5s. 9d. per ton. In addition, since Browns had not yet installed screens to grade the coal by size and to clean it, the miners received 9d. per ton for hand-picking the coal as they loaded it into the skips. 93

From the pit bottom the coal was hauled to the surface in amounts of 1½ tons on wire ropes, which were replacing hemp at this time, driven by a steam engine. Two "ponderous" steam driven pumps were also in use coping with water which accumulated in the workings. 94 By these methods, The Newcastle Chronicle estimated, the Mimmi mine could produce sufficient coal to satisfy about half the existing colonial demand.

Two locomotives were used for hauling coal trains of 30-40 waggons to Hexham where they had erected a steam crane described as unique in Australia and new coal shoots with a capacity of 200 tons per day. Coal could be loaded at Hexham onto smaller ships which navigated the lower reaches of the Hunter, or it could be loaded into punts for towing by Brown's tug, to Newcastle there to be put by a machine-driven movable hoist lifting a small hopper from the punt on one side for discharge on the other side into the ship's hold. These punts had been especially constructed to carry a number of the hoppers. The transport system was improved when Browns linked their line with the Great Northern railway line in 1861. 95

A contemporary description of Mimmi suggested that probably nowhere outside England would you see

"more complete facilities, more costly and improved machinery, or more comfortable habitations for the miners than are to be found at Mimmi." 96

Browns had also installed coke ovens, opened up a quarry and were making their own bricks.

John Eales had found it difficult to manage his miners and within two months of acquiring the colliery, J. & A. Brown's Mimmi pitmen struck work. Browns took legal proceedings against twelve men who were involved on the grounds that, having agreed to give fourteen days notice of intention to terminate their employment, they did so without giving notice. When the case, Brown and Company versus Mimmi Pitmen was heard in February 1860, the first miner proceeded against was Andrew Runney who had been hired in February 1859, and ceased work in April 1859, at a time when the mine was working regularly; he and his fellows demanded an increase in wages and the mines were stopped for a month. 97

Browns endeavoured to prove that Runney's refusal to work caused them to lose £32, at the rate of £6 per week. They testify that they had £45,000 invested in the mines: that ships were waiting to be loaded with
Mimmi coal and that their losses by the ships not taking their coal ranged from £40 to £100 per ship. In his evidence James Brown testified that he had to pay his engineers and others, whose work was rendered unnecessary by the strike, the sum of £150 and he assessed the total cost of the strike to the firm as £600. 98

Judge Owen in giving his decision disregarded Brown's claim for the aggregate damage of £600, a claim he could not deal with, but he did feel competent to deal with the claim that each man had inflicted damage by deserting work. He found that a breach of contract had occurred and gave a verdict of £10 in favour of Browns and against each of the defendants, in Tunney's case with costs. The court was also to hear cases brought by sixteen miners claiming wages from J. & A. Brown: some of these men had been defendants in the above case but none of the plaintiffs appeared after the verdict recorded above and the cases were dismissed. 99

During the early months of 1860, Browns were expanding their trade and developing the colliery to supply it. The Newcastle Wallsend Company had been engaged in opening out its mine for at least a year and the Waratah Coal Company had reached the coal seam on its property on 3rd January, 1860. 100 With such developments there was strong demand for mine labour. In March-April 1860, the A. A. Company miners received two increases of 3d. per ton in the rate paid for hewing and wheeling. The second of these was granted because some of its most valuable workers had left to work at Mimmi where James Brown had raised his rate by 6d. 101

With labour in demand the miners of the Newcastle area met on 24th May, 1860 to form a district union. It was the Queen's Birthday and the Mimmi miners marched to the Waratah meeting place led by Samuel Cooper carrying a tricoloured flag with the inscription "United we stand, Divided we fall." The miners were intent on forming a union for their mutual protection and to improve conditions of work. They were seeking the appointment of inspectors, and the eight hour day. The meeting appointed a committee of eight representatives, or delegates as they came to be called, who met twice during June when the union's officers were appointed. They also decided to raise funds from the men of each colliery, condemned the practice of placing unskilled men in the mines to work with skilled miners and resolved also to collect evidence to support a petition on the need for a law to govern the working and inspection of mines and to entrust the framing of a suitable measure to Dr. Brookes, M.L.A. 102

In October 1860, no doubt as summer approached and demand eased off, Brown announced a reduction of 6d. per ton in the hewing and wheeling rate: their miners resisted and work ceased about the middle of October. Browns ordered some of the strikers from the huts they occupied with their families and 120 miners and their families "squatted" on neighbouring land so that they could maintain a watch against non-union labourers. Not all the miners could be evicted as some had leases and some had freehold possession
of the sites of their houses. 103

The strikers received considerable financial and moral support from the members of the District Union. Assistance to the extent of £500 was given and 500 miners travelled to Minmi by special train and protested when Browns brought workers from the Four Mile Creek area: some at least of these were persuaded not to work. 104

Browns had meanwhile offered to resume at a reduction of 3d. instead of the 6d. originally announced but this offer was refused. Those at the meeting resolved that no one work until the Minmi men were back. 105

The strike was continuing on 19th November, 1860: the A. A. Company's miners had made a demand which was to be quite common in the subsequent history of the industry: they wanted the Company to dismiss those employees who were refusing to pay the levy of 4s. 6d. per week going to the support of the Minmi men. The A. A. Company Superintendent commented:

"I do not like their Unions." 106

He went on to complain of the miners' growing power and independence and noted the change in the situation since 1858 when the C. & C. Company miners struck but received no outside support:

"the case is now very different and the blame to a large extent is to be attributed to Messrs. J. & A. Brown who lowered the price of their coal with the view of introducing it into intercolonial markets and raised the price of the get of coal in order to secure a sufficient number of miners in their Minmi colliery, when, in their opinion, they had gained their object they attempted to lower the 'get' 6d. per ton." 107

If Browns were responsible they were certainly paying the price for the strike was not finally settled until they allowed a return to work under the old conditions after two months of inactivity. Strikes in summer were less likely to be less costly in terms of trade lost. (See Figure page ).

During February 1861, the Miners' Union held an aggregate meeting and, no doubt strengthened by their Minmi success, decided to impose a limitation on miners' earnings. They resolved:

"Seeing the necessity for the miners of the Hunter River District to establish a uniform day's wages - that this meeting pledges itself to establish, for the future, eleven shillings and four pence (11/4d) as a proportionate day's wage for every operative miner." 108
R. A. Gollan describes the rule as being intended not to restrict production but to spread the work more evenly over the week and to divide it more evenly among the miners. He correctly stresses the conflict of interests between the proprietors and the miners on this matter: the former desiring to be free to work their collieries when ships were waiting and to close them when demand was slight; the latter anxious to avoid alternating periods of frenzied activity and idleness. The "duty" was an attempt to cope with a problem which grew more serious in the 1860s but it was a solution which was not generally applied after the District Union ceased to function in 1862.

Intermittency of work makes it difficult to assess miners' wages in this period. The A. A. Company miners' wages for the months July and August, for between 72 and 88 miners ranged from about £2 per man to £2.9.4. per man per six day week but this was the busy period for Newcastle miners at this early stage of industrial development: as an A. A. Company miner explained to non-union labour brought in to work the mines during the dispute of 1862:

"During four months in the winter, trade is very good. During the rest of the year they (the miners) got only seven days each fortnight."

In the second half of 1863 three pits of the A. A. Company worked 98, 86, 32 days and the fourth worked not at all. The costs of production at the different pits varied from just under 6s. Od. per ton to slightly more than 7s. Od. per ton. The more expensively worked pits were brought into production only when trade demanded it: so too, presumably, were the miners of those pits.

The problem facing coal companies after the great expansion of productive capacity between 1859 and 1864 (See Table 12 page 40) was how to secure as much trade as possible while it was available: for the miners it was how to earn as much as possible while work was to be had. The temptation for the proprietor was to develop his mine and his transport and loading plant so that he could produce at great speed while the demand was strong: this necessitated a big work force being on call and required a greater capital outlay. The
increased cost of depreciation and maintenance thus incurred made his business existence more difficult in periods of slack trade or when industrial disputes closed his colliery.

The union was moving from strength and at its first Annual Meeting on 24th May, 1861 James Fletcher, presiding, congratulated the members on the steady increase in their numbers, the multiplying applications for admission and the flourishing condition of their funds.\textsuperscript{113}

The Unions' memorial advocating government inspection and regulation of N.S.W. mines was presented to the Legislature in 1860 and after "numerous delays in both Houses, including submission to a Select Committee of the Legislative Council, a New South Wales Bill, which contained all the essential points of the English 1860 Act, became law."\textsuperscript{114}

Alexander Brown revealed his attitude and a sense of humour to the proposed Act in a letter to another proprietor in October 1862. He suggested that the proprietors should endeavour "to get that unpleasant peace (sic) expunged" that provides "for our going to jail ... this would not be pleasant without company and the chances are against this." ... "Many other portions are equally bad, for instance, the fines are not altogether agreeable. Considering what facilities the Examiner will have of 'pitching into us' or 'having us up' ... it is to be hoped that we will be fairly dealt with, notwithstanding the miners having paid advocates or special pleaders in the House ..., and are not disposed to give the Masters an inch but will use their influence to restrain the tyranny of the capitalist against the poor working man ..."

"I would much sooner be without the Bill but the house being determined to have the Bill, the whole Bill and nothing but the Bill, it is desirable the compound will not be ... of an (APRINT) litigative nature forcing us to the Courthouse too often against our will ..."\textsuperscript{115}

The union's strength, its successes, and the growing awareness of its potentialities in the improvement of the miners' working conditions were as exciting to Fletcher as they were alarming to the proprietors who met in August 1861 and decided to take combined action "to check the unjust and exorbitant demands of the Miners."\textsuperscript{116}

The four principal proprietors announced that they would reduce the hewing rate by 20% after fourteen days and took steps to protect themselves against the Union limiting the strike to some of the collieries by agreeing that if this eventuated they would lock out the employees of all the mines.

During the early stages of the dispute the proprietors proposed settlement on the basis of a 10% reduction in wages and the abolition of the restriction on daily coal production per miner and the removal of restrictions on the stocking of coal. They also asserted the principle that their managers employ and discharge anyone whom they thought proper, that fourteen days
notice be given of any stoppage and that no meetings be held at the pit top or in the pit during working hours.\textsuperscript{117}

As R. A. Gollan has perceived these terms were inimical to the unions' principles: the issue in dispute was the existence of the union as it had been established during 1860 and 1861.\textsuperscript{118} On this occasion the proprietors were unable to impose their terms on their employees but when the A. A. Company won a more prolonged struggle during 1862 the District Union was virtually destroyed and conditions reverted to those of the pre-district union era. (See pages 53-54).

J. & A. Brown deserted the proprietors in this struggle: ostensibly over the failure of some of the owners to share the proceeds of the sale of any coal sold during the stoppage of the mines. The Newcastle Chronicle of 12th October, 1861, reported that Alexander Brown, whom Merewether described as having been present at all the conferences of the owners and who had favoured harder terms than any of the proprietors, was informed during a conference called to discuss the strike, that the Mimmi men had accepted an offer to return to work. When Merewether investigated the terms of Browns' resumption he found that they had resumed work only in their new pit and had agreed to pay 3s. 9d. per ton and to do the wheeling themselves: previously the miners had hewn and wheeled for 4s. 3d. per ton. This represented a saving for the owners for in the new pit the coal had to be wheeled over a short distance only.\textsuperscript{119}

Browns would only be paying the pre-strike wages on the older sections of their colliery. Because of the strike the A. A. Company had been unable to load the "Marcianus" which took Mimmi coal when Browns resumed. Merewether commented: "I cannot help thinking that it was the opportunity of securing such a prize that induced the Messrs. Brown to throw us overboard."\textsuperscript{120} Many years later Browns admitted that in 1861 Baines and Company sent two large vessels to Newcastle during the "lockout" and "it appeared likely that the pioneer vessels would have to leave without coal. But the Messrs Brown came to terms with their men ...."\textsuperscript{121} Merewether explained to his directors that: "the defection of Messrs. Brown practically dissolved the association" and made it difficult for the other proprietors to obtain any better financial arrangements than Browns had obtained.\textsuperscript{122} The Wallsend Company resumed at the pre-strike wage level and the A. A. Company and C. & C. Company followed suit. The committee of citizens, which was appointed by a public meeting, negotiated a settlement of the other matters in dispute which enable the A. A. Company Superintendent to claim that the proprietors had gained the right to call tenders for mine development work, to stockpile coal to the extent of five tons per miner employed, to employ whom they please, to discharge
those who violate the rules of the colliery and to direct miners to any part of the pit when first employed. The miners also agreed to give due notice before laying the pits idle and not to hold union meetings in pit hours or in the pit at any time.\textsuperscript{123} It is indicative of the strength of the Union that he welcomed these as great concessions and looked forward to carrying out improvements which he had not been able to attempt before.

This lengthy dispute was marked by the use of non-union labour, the bitter protests of the miners, subsequent arrests and the despatch of extra police to Newcastle. The Mimmi area appears to have been quiet: probably because no new labour was introduced and because there was no attempt made to sell small coal. Mimmi had witnessed serious industrial disturbances in 1859, 1860 and 1861 and when the proprietors discussed the coming arrival of immigrant miners, whose migration had been sponsored by the proprietors on the eve of the 1861 strike, Browns informed the other proprietors that they might not be able to employ them owing to the enmity of the Mimmi people. Some residents held their houses on freehold or leasehold and could not be removed and they were expected to drive any newcomers away.\textsuperscript{124} Browns were regretting their decision to allow the miners the opportunity to achieve domestic security and at least one of the other companies decided to discontinue the practice.

This struggle had been a test of endurance and of the bonds between the unionists on one hand and the proprietors on the other.

The proprietors to a greater extent than the unionists were beset by conflicting interests: in their dealings with their employees their aims were to a degree, common to all but when labour was scarce, the bonds were weakened.\textsuperscript{125} In their dealings with their customers intense rivalry existed; in the 1861 dispute Browns put an immediate profit and the possibility of a connection with a new customer above the interest which they had in common with the other proprietors in the maintenance of their position as employers. The 1861 dispute had revealed that while individual proprietors were prepared to oppose unionism on the grounds of principle and to wage a campaign against it: the other proprietors were sometimes prepared to play the part of the opportunist; there were militants on both sides of the coal industry and one of their problems was how to maintain the support of their followers.

During 1862 the A. A. Company found that its employees were as reluctant to accept a reduction in rates of payment as they had been prior to August 1861 and another dispute ensued. Collan describes it thus:
"It was a savage contest in which the company spent money lavishly, sought the most rigorous application of their legal rights, spied on the unionists and gave, in all except wages, better conditions to the men at work than had ever existed before."  

The company employed non-union labour and after seven months resistance the strike collapsed and those men who were allowed to do so resumed work on the Company's terms. The District Union was seriously weakened by this defeat: its 1860-61 record of unbroken progress was over. Unionism had made great advances while conditions were favourable: the events of 1862, when a single company, employing about 25% of the miners of the district could destroy the district union, while the remaining collieries supplied most of the A. A. Company's customers as well as their own, indicated that the spirit of unionism had a long way to go before it would approach the strength it displayed in some subsequent disputes in the history of the N.S.W. coal industry. Unionism had flowered in a period of expanding production and a shortage of labour now there was reluctance to maintain the striking miners and their defeat destroyed the confidence which had been built up by several successes and which was essential to the continuance of the unionism of the day.

While the A. A. Company was engaged in its struggle with the union, J. & A. Brown and the other proprietors enjoyed a year when trade was brisk and major strikes did not occur. Mimmi output increased from 59,000 to 111,000 tons and in the midst of the A. A. Company's struggle with its miners Browns signed an agreement with their miners guaranteeing that they would not reduce wages for eighteen months: the miners, in return, promised that they would not strike in that period.

By 1863 the Miners' District Union had ceased to function and the Mimmi manager, Mathew Charlton wrote to the Newcastle Chronicle reviewing its brief life. He stated that

"the union had been started at Waratah on 24th May, 1860, to get a ventilation bill through Parliament and had gone from strength to strength until Winship (A. A. Company Manager) had halted them." He continued, "Winship was the rock that split their efforts ... Another union is to be formed, and I wonder if they have any more clever chairman to be made inspectors and managers of coalmines."

The flooding of the Mimmi colliery had thrown 230 miners out of work but the A. A., Waratah and Wallsend Companies employed about 200 of them at once. Some of these men and their families began to move back to Mimmi in September 1864 after Browns had announced that they were to manage the mines on behalf of the Melbourne and Newcastle Company."
Subsequently the Melbourne and Newcastle Company failed to meet its wages bills and by 3rd December, the Mimmi miners were seeking redress by legal action to recover £1,500 due to them. The case was complicated by the fact that the company was not registered in New South Wales and so could not be called to account under the Master and Servants Act which specified that the employer had to be brought to court to show reason why his goods should not be seized. Browns moved to take possession of much of the movable plant at this time: probably to anticipate other creditors. It was expected that the Company would be able to evade payment altogether by virtue of deficiencies in the Public Companies Act. When this proved to be the case the Mimmi men took legal action to recover their wages from J. & A. Brown: they argued in Newcastle Court of Petty Sessions that Browns were responsible for the wages for work performed after they posted their notice announcing that they had taken over the colliery. The case was heard by two magistrates, Scott and Hannell who usually sat on the Newcastle Bench: they found for the miner, Sam Paterson.

Browns tried to upset the decision but found there was no appeal. When the cases were resumed, two Justices of the Peace, F. Biddulph and A. Hickey, from Raymond Terrace, who had never before sat in Newcastle and who did not reappear there afterwards, joined Scott and Hannell, heard the evidence and declared for J. & A. Brown. As the two regular magistrates found for the miner, there could be no decision: the Bench was equally divided.

Browns offered to settle even though the case had not gone against them and the miners accepted their terms of half the wages at once and half in two months. On 17th March, 1865, several miners walked from Mimmi to Newcastle and there presented themselves to Browns' agent and finally to James and Alexander in person to collect the balance of the money. Alexander told them he could not pay as it was a bank holiday and when they protested he tried to evict John Date from his house: Date struck at Alexander but the blow missed. Browns then prosecuted Date for common assault but the jury dismissed the case after ten minutes consideration and declared Date not guilty. The Court was told that some of the men were paid on 18th March, 1865.

There were two significant epilogues to this petty drama: in July Messrs. Biddulph and Hickey were struck from the list of magistrates after a government inquiry into their conduct in this case and subsequently A. Hickey was declared bankrupt upon the petition of James and Alexander Brown.

Production was not resumed at Mimmi until November 1865, so that many of these miners had not worked regularly since the flooding of the mines in June 1864.

Most miners of Mimmi lived on Brown's land; their home lots were small and the area had little agricultural potential: the water supply was inadequate and gardening was therefore a
difficult means of supplementing the income. Whereas the miners of the Southern field were often, in the early days, spare time farmers in a dairying-farming community and could cushion the effects of unemployment or intermittent employment, the Minmi miners were limited to camping and fishing in Lake Macquarie or leaving the district altogether in search of work.  

After some months without work the Minmi miners and their dependents, 97 men, 70 women and 188 children, made application for assistance to the General Flood Relief Committee in Sydney. The application attributed their destitution in part at least to the floods: a telling indication of the plight of the unemployed of the 1860's when in search of assistance. The result of the application was recorded in a verse parody which also depicts the almost complete dependence of this mining community on the coal industry. H. Fenwick who had been the spokesman who presented the application for relief wrote:

"On the Return of the Minmi Engine"

***

"There is nae luck about the pits
There is nae luck at a'!
There is nae pleasure on the mines
When the Engine she's awa'!

Awa' wi' you and get your picks;
And Jock put on yer claes,
Dinna yet hear the Engine comin'!
Ye'll nae work all yer days!

I hear her whistle screaming, noo,
Like an old frien' coming back;
Gang doon and get the muckle coal
And send us up the Slack.

Thanks to the folk in Sydney, noo,
That sent us up relief,
And we gie thanks to the butcher, too,
Who served us out of beef," etc. etc.  

When J. & A. Brown took possession of Minmi once more in November 1865, The Newcastle Chronicle recorded the

"great joy of the people in the district, who have suffered such severe privations for a period extending over nearly a year and a half."  

After 1866 Brown's miners are rarely mentioned in the press: this was a period when wages remained low, the trade highly competitive and the District Union remained inactive. Occasional references to the Browns' miners concern their failure to achieve a demand for a rise of 6d. in the hewing rate, their protest at not being supplied at Browns' New Lambton Colliery with the rails and props as was usual in the district and their complaint that they were having to do their own water bailing.
The coal companies were under pressure owing to the low price of coal and to their inability to combine to raise the price. The employees of the industry suffered too because of their inability to combine to resist the owners' encroachments on established industrial customs and rights. As one miner expressed it, the ton, in these years, became more elastic than ever before. In this industrial situation the miners endeavoured to re-establish the District Union and on 8th November, 1870, an aggregate meeting adopted a set of rules for the Coal Miners' Mutual Protective Association. Speaking in support of a strike at the Waratah Colliery against a reduction in wages, a miner declaimed:

"What can we designate this but Imperialism. Imperialism laid on with a high hand and outstretched arm -- -- -- Surely the pluck of the miner must be riddled out of his spirit and energy broken before he could bring his mind over to quietly submit to such unprincipled despotism." 142

The District Union which developed from this meeting forced the proprietors into a combination in 1872 and from the limited joint action which they undertook against their employees, the proprietors moved towards the formation of the first Wend Agreement, an event of such importance to the industry that it demands an analysis of the events leading to its inception.

In June 1872, the Lambton miners threatened to strike but the Company met their demands: both the threat and the response indicate a change in the state of the industry. Strike threats had been rare for years and submission to them even rarer. 143

The District Delegate Board then called a meeting of the miners for 13th June. One thousand men attended and pledged themselves to work for no more than one shift per day of nine hours duration, to begin at 7.00 a.m. and to conclude at 4.00 p.m. They agreed that no overtime would be worked and that this system would be implemented on 1st August, 1872. Only two men were recorded as voting against the resolution. The meeting also decided to seek an increase of 6d. per ton in the hewing rate by demanding the new rate at one colliery at a time. Lambton was selected to be the first and its miners were to be supported financially by the union if the increase was refused. The Lambton representatives suggested that their colliery be the first to be approached protested against the "tyranny and ill usage" they and their colleagues had suffered under the manager, Thomas Croudace. 144

Lambton offered to grant the increase if the other proprietors did and the Lambton Miners' Lodge protested at the selection of their colliery for the first attempt: the signs were ominous. Then on 29th June, Croudace announced that he would grant the 6d. on 15th July if the rest of the proprietors did the same. When the notice expired Lambton granted the increase.
the increase of 6d., on condition that the Union insist on the other proprietors paying it. 145

The reaction of the men shows not only pleasure but gratitude; they marched, led by the band as was usual at celebrations, to the manager's residence to thank him; this was not the reaction of miners who had extracted a concession: it was an appropriate response to a gift. Magnanimity had been conspicuously absent from the industry in the past. Had there been a change for the better?

The Lambton Company revealed the reason for the increase in a report to its London office: "It gave the miners an increase of 6d. per ton because labour was scarce ..." 146

When the other proprietors combined to protect themselves against the miners' demand for an increase and a strike occurred they found Lambton at work and selling its coal at 9s. 6d. per ton, having increased its price by 1s. Od. to take advantage of the stoppage of its rivals' mines. They conceded the 6d. per ton demanded and returned to work. 147

Lambton's decision to grant the increase was indicative of the state of the industry. The last major coal company to begin operating in the Northern District had done so in 1864 and in the meantime, total annual M.C.W. coal production had increased by almost 350,000 tons. (See Table 8). The output of the principal producers had increased from about 639,000 tons in 1866 when the last precarious price agreement had been arranged, to approximately 857,000 tons in 1872. The average annual production for the six was 106,500 tons in 1866, 142,833 in 1872. 148 By 1872 the demand for coal was strong enough to permit a reasonable output from each of the principal collieries and the Australian economy which had passed through a slight depression in 1871, was on the eve of a long period of high, sustained growth. 149 In these conditions the five proprietors found themselves able to combine in October 1872 to raise the price of coal to 11s. Od. per ton and to introduce the Vend system in 1873 which enabled them to increase the declared selling price to 11s. Od. per ton and to keep it at that level until March 1880. 150

The Vend system had been suggested in 1864 and on later occasions as a means of solving the problems created by overcapacity and the competitive price cutting which it engendered: these suggestions came to nothing. 151 What made it possible for the proprietors to agree in 1872? The explanation may simply be that they eventually tired of a profitless or near profitless existence and decided to put the interests of their shareholders and perhaps of their employees before personal animosities.
In the 1860's the average value of N.S.W. coal had fallen from over 12s. 1d. per ton to slightly more than 7s. 6d. per ton; output had grown from 369,000 tons to 889,000 tons in the same period but the growth of trade probably had little connection with the fall in price levels, except perhaps in the foreign trade. (See Figure 4). There is no evidence to suggest that these lower prices increased the demand for N.S.W. coal in Australasia. The principal consumers of coal had to buy it whether it was 8s. Od. or 10s. Od. per ton: railways ran on coal, stationary steam engines used coal when it was available; gas companies had no alternative and neither did the owners of steamships. The demand for coal for these purposes did not fluctuate in response to price variations; if prices rose costs could often be passed on to consumers. 152

In the retail coal trade prices tended to be constant unless they were increased: it was merely the retailers' profit margin which reacted to falling coal prices. 153 If there was an upper price limit it was probably the level at which large scale English coal imports became a viable proposition. Since Victoria did not import British coal during the 1870's when the declared selling price of Northern coal rose to 12s. 6d. per ton, and there was no importation of foreign coal, this level must have been high indeed. 154

The Southern District mines could have endangered the trade of the North while high prices prevailed but its lack of a satisfactory port and the lack of a rail link with Sydney before 1888, precluded a threat from this source. 155

The Western District mines were handicapped by their distance from a port, and the nature of their railway. 156 The only real threat to maintenance of high coal prices in the Northern District was that competition would develop from their own district as undeveloped coal lands were brought into production in response to the high price of coal. 157

The growing accord between all but one of the major coal companies and the substantially increased price of coal must have been encouraging to James and Alexander Brown who had been through a trying time during the period from 1859 to 1872. They had begun it as wealthy merchants, ship-owners and colliery proprietors: had sold their principal coal interest, recovered it, sought to develop Tasmanian coal but been refused, 158 invested a fortune in the pastoral industry and lost £25,000 by it, had closed Minal, developed two other collieries, one of which was a failure, sold the tugs and colliers, re-acquired them and briefly entered the general cargo shipping business to challenge a monopoly, 159 and for much of the time bankruptcy had stared them in the face.
CHAPTER THREE

Prosperity and Industrial Peace Under the Vend 1873-1880

In 1873 the principal colliery proprietors of the Newcastle District combined in a Vend to regulate the price of coal and to apportion the trade between them; this development dominated the N.S.W. coal industry in the period from 1873 to 1880.¹

N.S.W. production of coal increased by about 1 1/2% in 1873 and by over 9% in 1874 but this rate of growth was not maintained; output was almost stationary at the 1874 level during 1875 and 1876. The years 1877 and 1878 brought moderate increases but production steadied in 1879 and dropped in 1880 before recovering sharply in 1881 and 1882. (See Table 13 and Figure 6).

The average value of all coal produced in New South Wales in 1872 was 7s. 9 1/2d. per ton; in 1873 it was 11s. 1 3/4d. Values rose to 12s. 3 3/9d. in 1875 before declining to 11s. 8 2/8d. in 1876. There was an increase in 1879 and a pronounced drop to 8s. 6 3/6d. in 1880: prices waxed and waned with the Vend in this period but special circumstances, which prevailed in 1879, improved the value of coal sold while hastening the end of the proprietors' combination. (See page 80).

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Average per ton</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Round Thousand Tons)</td>
<td>the nearest penny</td>
<td>£.</td>
</tr>
<tr>
<td>1872</td>
<td>1,012,426</td>
<td>7 10</td>
<td>396,198</td>
</tr>
<tr>
<td>1873</td>
<td>1,192,962</td>
<td>11 2</td>
<td>655,747</td>
</tr>
<tr>
<td>1874</td>
<td>1,304,612</td>
<td>12 1</td>
<td>790,224</td>
</tr>
<tr>
<td>1875</td>
<td>1,329,729</td>
<td>12 4</td>
<td>619,430</td>
</tr>
<tr>
<td>1876</td>
<td>1,319,918</td>
<td>12 2</td>
<td>803,500</td>
</tr>
<tr>
<td>1877</td>
<td>1,444,271</td>
<td>11 11</td>
<td>858,998</td>
</tr>
<tr>
<td>1878</td>
<td>1,575,497</td>
<td>12 8</td>
<td>920,936</td>
</tr>
<tr>
<td>1879</td>
<td>1,583,582</td>
<td>12 0</td>
<td>950,879</td>
</tr>
<tr>
<td>1880</td>
<td>1,486,480</td>
<td>8 6</td>
<td>615,337</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report for 1914 page 36.
FIGURE 6: N.S.W. OUTPUT AND AVERAGE VALUE OF COAL 1872-1881
Source: The Annual Report of the N.S.W. Department of Mines for 1914

Output

Price
Australasian markets continued to consume the bulk of coal produced in New South Wales: the foreign trade remained relatively small and subject to violent fluctuations. (See Figure 7). Until 1879 the intercolonial ports constituted the largest market for New South Wales coal but thereafter the home market was more important.

Foreign sales, which totalled 275,000 tons in 1872 (about 27% of total production) increased in 1873 and 1874 when they exceeded 400,000 tons then declined sharply in 1876 and did not recover their 1875 level until 1882 (See Figure 7).

The steady growth of Australasian demand compensated the coal producers for the fall in foreign sales after 1876 and in contrast to the fluctuations in foreign trade, New South Wales and Intercolonial sales decreased only once each and then in different years.

---

**FIGURE 7: N.S.W. OUTPUT OF COAL BY DESTINATION 1872-1881**

Source: The Annual Report of the N.S.W. Department of Mines for 1914

- **N.S.W. Trade**
- **Intercolonial Trade**
- **Foreign Trade**
The expansion of the Australian economy between 1860 and 1872 had assisted the development of the coal industry and its continuation in the 1870's created an even more favourable environment. There had been slight recessions in 1863 and 1871 but only one more occurred in the rest of the decade. It was in 1876.\(^2\)

Government railways had only 970 miles of track in 1871 but by 1881 there were 3,832 miles of line in operation. In this period the N.S.W. Government Department of Railways increased their train miles travelled from 931,333 in 1871 to 3,923,929 in 1881: it was the largest single purchaser of the produce of the state's coal mines. (See Table 14).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TRAIN MILES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1871</td>
<td>931,333</td>
</tr>
<tr>
<td>1872</td>
<td>1,036,255</td>
</tr>
<tr>
<td>1873</td>
<td>1,109,879</td>
</tr>
<tr>
<td>1874</td>
<td>1,249,233</td>
</tr>
<tr>
<td>1875</td>
<td>1,472,204</td>
</tr>
<tr>
<td>1876</td>
<td>1,668,964</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Railways and Tramways Annual Report for 1896.

Gas producers also continued to be large scale consumers of N.S.W. coal in this period. The amount of coal consumed in this industry is not known but in New South Wales alone the number of gas works increased from nine in 1872 to twelve in 1880 and by 1881 there were fifteen.\(^3\)

The growing use of steam vessels also boosted coal consumption. Official statistics do not differentiate between steam powered and sailing vessels entering and leaving Australian ports in this period but it is reasonable to assume that an increasing proportion of them were steam powered though sailing vessels were more slowly replaced on the Europe-Australia-America-Europe run, than they were on some other ocean routes because of favourable wind patterns in the Southern Hemisphere.\(^4\) Not only were more vessels arriving but more of them burned N.S.W. coal. (See Table 15).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>OVERSEAS TRADING VESSELS ENTERING AND LEAVING AUSTRALIAN PORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1861</td>
</tr>
<tr>
<td>Ships</td>
<td>2,466</td>
</tr>
<tr>
<td>Tons</td>
<td>1,149,476</td>
</tr>
</tbody>
</table>

The increasing use of steamers in Australian coastal services also added to the consumption of coal.
It is tempting to explain the uncertain progress of the foreign trade in terms of the increased price of coal after 1873 but the high level of exports in 1872, 1874, and 1875 render this unlikely. (See Figure 7).

A port by port examination of the coal trade from the Port of Newcastle over the period 1875 to 1878 indicates a slight but persistent decline in exports to San Francisco; a similar trend in the much less important Mauritius market; a sharper decline in the trade with Guam; a fall in exports to Java and Padang and a similar downward trend in shipments to Petropaulovski. (See Table 16).

In the same period exports to Japan and Honolulu showed a steady increase apart from one slight drop in 1876 in the Japanese trade. Hongkong was the destination of increasing amounts of Newcastle coal, except for the one year 1876, and the trade with other Chinese ports fluctuated but certainly did not decline.

The only other important foreign market was India which absorbed practically identical amounts of New South Wales coal in 1875, 1876 and 1877 and then took a large increase in 1878.

| TABLE 16: COAL EXPORTS FROM THE PORT OF NEWCASTLE 1875-78 |
|-----------------|-------|-------|-------|-------|
| 1875  | 1876  | 1877  | 1878  |
| United States  | 1     | .75   | 1     |
| San Francisco  | 96    | 89    | 84    | 81    |
| Hongkong       | 58    | 35    | 70    | 72    |
| China          | 14    | 12    | 23    | 11    |
| Mauritius      | 6     | 4     | 3     | 2     |
| New Caledonia  | 4     | 4     | 1     | 4     |
| Japan          | 7     | 4     | 14    | 30    |
| Manila         | 20    | 4     | 13    | 16    |
| India          | 21    | 22    | 23    | 52    |
| Guam           | 9     | 6     | 1     | 0     |
| Callao         | 2     | 2     | -     | -     |
| Valparaiso     | 2     | .5    | 3     | 4     |
| Honolulu       | 1     | 3     | 2     | 4     |
| Java           | 20    | 7     | 11    | 7     |
| Padang         | 4     | 4     | -     | -     |
| Fiji           | -     | 0     | -     | 1     |
| Bangkok        | -     | .5    | -     | -     |
| Petropaulovski | 13    | 10    | 2     | 2     |
| Totals in Round Thousand Tons | 279 | 206 | 251 | 284 |

Source: N.S.W. Department of Mines Annual Reports for 1875, 1876, 1877 and 1878.

It is difficult to detect any pattern in the developments of these years: 1876 was clearly an exceptional year in the foreign trade with
exports falling quite sharply to most ports. In this year exports fell to markets where N.S.W. coal exporters had been improving their position e.g. to Japan and Hongkong, and they recovered in 1877. It would appear that exceptional circumstances interrupted the trade in 1876 but that the higher price of New South Wales coal after 1873 (see Table 13) was probably responsible for the gradual decline of exports to some markets, such as San Francisco and Petropaulowski. (See Table 16).

In the early years of expansion coal was marketed in several ways, on colliery or ship account, on direct orders from abroad or from foreign consuls or through overseas or local agents. Hurley suggests that coal owners *sought to confine their operations to the loading of a vessel chartered by the consignee or his agent. Occasionally they were forced into freight market, however, chiefly when making consignments on company account.*

Browns shipped coal on their own account in the 1850's, in the 1860's and probably in the 1870's. Shipments on colliery account by the Associated Proprietors continued during the existence of the Vend until 1879: they were not banned as Hurley asserts during the vitality of the Vend but they did decrease in 1879 under amended Vend regulations.

The increased profit margins of the Vend years and an assured share of the regular coal trade would have reduced the need for speculative ventures in foreign markets and the penalties inflicted on proprietors who exceeded their quotas would have deterred shipments when this level was approached. In periods of slack trade the export of coal on colliery account would have continued.

Consignment of coal on ships' account was common in this period: ships discharging cargoes in Australian ports and having no on-cargo available would purchase coal for sale in a port where a further cargo could be obtained. Having entered the port they were more or less committed to purchase coal and foreign sales reflect a higher price than the regulation Vend price of 14s. Od. per ton. As long as such coal could be sold for more than the price paid in Newcastle, the ship's voyage would have been subsidized. Even if sold at a loss, that loss might well be less than the cost of buying and unloading ballast. About 17% of the coal shipped abroad in the years 1873, 1877, 1881, 1885 and 1889 was consigned on ship's account. Browns, as tug owners, probably enjoyed a larger share of this trade than their share of the total trade would suggest. Newcastle tugs were continually on duty: watch was maintained for the approach of sailing vessels and races ensued to obtain their towage. If Browns obtained the towage they had first chance to effect a sale and cheap towage rates could be offered to obtain coal orders: such contacts...
provided early opportunity to sell Browns' ships' supplies and to effect charters too. No other colliery proprietor owned tugs but there were usually one or two rival tug companies which could act for other collieries in a similar way and only Browns set up their own agency business and ships' chandlery in the 19th century. 10

Orders for coal from overseas merchants were sometimes sent direct to a colliery proprietor, sometimes to a Sydney or Newcastle agent or merchant and sometimes, and to an increasing extent, to the London representative of the firm. Browns established their own London office in 1880, probably had their Sydney office in operation before 1880, opened a San Francisco office before 1880 and established a branch in Valparaiso at about this time. From these offices they arranged sales, effected charters, arranged towage and sold ships' supplies and effected insurance. They also acted from the 1890's for clients purchasing coals other than Kimba coals but this was abnormal: their principal function was to sell Browns' coal and to save the 2½ commission usually paid to agents arranging orders. 11

These functions were greatly facilitated by the establishment of the overseas cable system which first linked Australia to the Dutch East Indies in 1871 and was then connected to the trans-continental cable which was completed in 1872. 12 In time Browns worked out a most elaborate telegraphic code a copy of which has survived. The cable brought the overseas offices into almost immediate contact with Newcastle so that the output available for sale could be quickly established.

K. H. Burley has asserted that exports of N.S.W. coal "were made possible by its relatively low price in foreign markets. Its price advantage was largely the product of cheap coal freights. These in turn were the product of extraneous factors associated with changes in the volume and direction of world bulk trade. In the pattern of trade so established, coal exports from N.S.W. were assigned an essential role."

He has also argued that the "special role of the N.S.W. coal industry in its relationship with shipping lay in the provision of bulk-cargo for British ships to facilitate their transit, as freight earners, to ports whence grain, rice, tea, sugar and fertilizers, etc., were shipped to Europe. This is to suggest that, with the exception of exports to New Zealand, the overseas trade in N.S.W. coal developed primarily as a by-product of the operational needs of the British shipping industry."

Burley goes on: "The availability of ships by itself, however, did not permit the trade to develop in face of competition from other coal producing countries, notably from Britain, Japan, British Columbia and India. A major factor in the successful disposal of N.S.W. coal overseas was its landed cost in relation to that of competing coals in foreign markets. The cost advantage enjoyed by N.S.W. coal, as already stated, derived from the cheap coal freights secured from its association with the British shipping industry. 13
This thesis demands a close examination! Burley argues that the freight rates prevailing in New South Wales and, at the port of discharge, for cargoes to Europe, determined the amount of coal being shipped to foreign markets in the early phases of the development of the foreign trade.

This view underestimates the importance of the state of the market in determining the selling price of coal. When coal was being despatched not only perhaps by merchants in the market itself but also by ships' captains and colliery proprietors from one or more coal fields or countries, a glut could rapidly occur. Scarcity would be slower to appear but could have an equally drastic effect on prices.

When coal was in strong supply, storage facilities, if any, became choked, local merchants found their needs satisfied and the price tended to fall. If onward cargoes were available ships' masters were eager to accept them, then they were unable to wait indefinitely until the price improved and were inclined to "dump" their coal.

In conditions of scarcity prices soared and freights and the price of coal had little influence. It could be argued that such scarcities and gluts were the exception but they had a serious effect on the fortunes of coal sellers: Burley's approach suggests an orderly trading pattern which was foreign to the New South Wales coal trade in these formative years.

He falls into the same error as R. A. Collan has sometimes committed; both rely primarily on the evidence of one company, the A. A. Company, and in so doing, fail to discern that in some respects and at various times, this company is atypical. It was never a "foreign trader" to the degree that Browns were. Its methods were less speculative; its foundations more stable; its superintendents were educated Englishmen; it had been set up by Act of the British Parliament and it owned vast acreages of land in New South Wales. When it came to the foreign trade the A. A. Company was less willing to speculate than Browns and some other proprietors less well placed than it was in the intercolonial trade.

For Browns and these other proprietors there were times when the only way to sell coal was to ship it on their own account. Browns who had been exporting coal from the 1850's in their own vessels and from at least 1862, in chartered vessels, knew the risks involved but took them knowing
that perhaps oversupply or scarcity, an outbreak of war, the prevalence of plague or fever or the onset of an early winter, could either make or mar the venture. Burley's error is only one of degree but it is a significant error to make in Browns' case, perhaps, more than in any other.

Freight rates were extremely important in certain types of foreign trade especially when coal orders were subject to the obtaining of tonnage at a stipulated rate but in the general foreign trade a reduction or increase in freight was no more important than an increase or decrease in the price of coal. These two principal cost components, (others included insurance and duty when applicable,) largely determined the landed cost of coal in foreign markets: if either fluctuated by, say, 2s. Od. per ton, the result was the same in altering the landed cost and to the degree that landed cost determined selling price, such movements of price or freight rates would have the same effect. However, when the Vend system stabilised prices, fluctuations in freight rates became more influential in determining whether foreign trade ventures would be undertaken and at all times freights were significant in deciding what would be shipped: once shipped their influence on selling price was relatively unimportant.

In using the A. A. Company records to compile Appendix III to his article "The Overseas Trade in New South Wales Coal and the British Shipping Industry 1860-1914," (See Appendix III) Burley further weakens his general argument. The column "raising costs" is based upon the cost of raising coal in one company's collieries in a field in which costs of operation could vary considerably. In 1875 when the A. A. Company's raising costs were 8s. Od. per ton and the Vend set up 9s. Od. as an indication of the cost of production, Browns' New Lambton colliery was producing coal at a much higher figure than 9s. Od. To quote another example: when the A. A. and the Lambton Companies exchanged costs of production figures in 1865, Lambton, also English-owned and directed and further from the port, was putting coal on board at 6s. 10½d. per ton: the A. A. Company's coal cost 7s. 8½d. per ton.

When collieries experienced unusually difficult technical conditions arising perhaps out of a fire or an accident such as the A. A. Company's Hamilton Pit disaster of 1889, its costs could be suddenly increased. Hence the difference between 1888 and 1889 raising costs in Burley's Appendix III.

Apart from differences in raising costs, transport and loading costs could differ markedly. When Mimm coal was hauled to Newcastle, it had to be hauled about 16 miles and was then loaded by the contractor who leased the Government-owned cranes. The A. A. Company collieries were no more than three miles from the company's own wharves and cranes which were the envy of other proprietors.
Burley's F.O.B. prices are the declared selling prices for Northern coal over the period 1871 - 1913, they were obtained from the Fifty-Second Annual Report of the Newcastle Chamber of Commerce (1937-38) which unfortunately contains inaccuracies.  

The declared selling price, as already noted, appears to have been lower than the prices charged for much foreign coal in this period and if Burley's F.O.B. price is compared with the average value of N.S.W. coal sold in foreign markets, the discrepancy is at once revealed. (See Table 17).

**TABLE 17: DECLARED SELLING PRICE OF NEWCASTLE COAL AND AVERAGE VALUE OF COAL SHIPPED TO FOREIGN MARKETS 1871 - 1880**

<table>
<thead>
<tr>
<th>Burley's F.O.B. Price</th>
<th>Average Value of N.S.W. Coal sold (to nearest penny)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1871 7 s. 9 d.</td>
<td>10 s. 1 d.</td>
</tr>
<tr>
<td>1872 9 s. 6 d.</td>
<td>9 s. 11 d.</td>
</tr>
<tr>
<td>1873 12 s. 0 d.</td>
<td>14 s. 8 d.</td>
</tr>
<tr>
<td>1874 14 s. 0 d.</td>
<td>15 s. 5 d.</td>
</tr>
<tr>
<td>1875 14 s. 0 d.</td>
<td>15 s. 7 d.</td>
</tr>
<tr>
<td>1876 14 s. 0 d.</td>
<td>15 s. 6 d.</td>
</tr>
<tr>
<td>1877 14 s. 0 d.</td>
<td>14 s. 11 d.</td>
</tr>
<tr>
<td>1878 14 s. 0 d.</td>
<td>14 s. 8 d.</td>
</tr>
<tr>
<td>1879 14 s. 0 d.</td>
<td>14 s. 6 d.</td>
</tr>
<tr>
<td>1880 9 s. 3 d.</td>
<td>11 s. 6 d.</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report 1914 and Appendix III, "The Overseas Trade in N.S.W. Coal and the British Shipping Industry, 1860-1914."

This whole calculation ignores Southern coal, which though exported in much smaller quantities was reaching foreign markets from the 1860's onwards.

Burley's Appendix III and the conclusions based on it must be treated with great care: it suggests a uniformity and an orderliness which was not true of the N.S.W. coal industry. The tables provided for the industry by N. G. Butlin and purporting to relate to the whole of the coal industry are also based on incomplete information and arouse similar distrust.

Valuable as the records of the A. A. Company are for the writing of the history of the coal mining and pastoral industries, they need to be supplemented by the records of other producers before general conclusions about these industries can be reached.
To return to the specific aspect of the foreign trade which made it necessary to examine Burley's findings is to be struck once more with the difficulty of making theoretical studies of complex industries. Burley's Appendix III provides him with "Apparent landed costs in Singapore as a percentage of apparent N.S.W. landed cost." The percentages for 1876, 1877 and 1878 are 103.1, 116.5 and 113.3. An examination of the records of exports from the port of Newcastle for these years reveals that no coal was exported to Singapore in those years. If exports from Newcastle to this port are compared graphically with his estimate of their apparent cost there, the results do not fully support his contention: it may be, however, that an accurate table would have supported his general thesis. (See Figure 8).
Burley argues that low freight differentials between English and N.S.W. coal to Far Eastern markets during the 1870's explain the smallness of N.S.W. exports to Singapore and asserts "The sources used to construct freight series in Appendix III reveal similar trends for Bombay and Hongkong."27

If it can be assumed on grounds of proximity that English coal freights to Singapore would have been comparable with English coal freight to Hongkong, and it seems to be a reasonable assumption, though freight would be influenced by onward freight prospects from the two ports, then the volume of N.S.W. coal exports to Hongkong in this period contrasts with those to Singapore.

**TABLE 18:** NEWCASTLE (N.S.W.) COAL EXPORTS TO HONGKONG AND SINGAPORE 1875 - 1885

(Round thousand tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Hongkong</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>1875</td>
<td>58</td>
<td>M1</td>
</tr>
<tr>
<td>1876</td>
<td>35</td>
<td>M1</td>
</tr>
<tr>
<td>1877</td>
<td>70</td>
<td>M1</td>
</tr>
<tr>
<td>1878</td>
<td>72</td>
<td>M1</td>
</tr>
<tr>
<td>1879</td>
<td>37</td>
<td>M1</td>
</tr>
<tr>
<td>1880</td>
<td>46</td>
<td>7</td>
</tr>
<tr>
<td>1881</td>
<td>82</td>
<td>M1</td>
</tr>
<tr>
<td>1882</td>
<td>58</td>
<td>M1</td>
</tr>
<tr>
<td>1883</td>
<td>101</td>
<td>M1</td>
</tr>
<tr>
<td>1884</td>
<td>122</td>
<td>M1</td>
</tr>
<tr>
<td>1885</td>
<td>105</td>
<td>M1</td>
</tr>
</tbody>
</table>

**Source:** N.S.W. Department of Mines Annual Reports, 1875-1885.

Why should N.S.W. coal be so acceptable in Hongkong while being rejected in Singapore? There may have been other factors at work in the Singapore market in the 1870's and first half of the 1880's: perhaps a coal retail market controlled by a ring of traders who preferred British coal. It is surprising to find that Newcastle Colliery proprietors did not venture a single cargo to Singapore between 1880 and 1885. The South East Asian Coal export trade has yet to be satisfactorily explained.

Until the death of Alexander Brown on 30th May, 1877, J. & A. Brown remained a partnership. Alexander was still the dominant partner in 1876 and as he was active in the firm until his death, which was described as "unexpected", it may be assumed that he was still in control. James Brown was less active in the 1870's following a "stroke" which was said to have impaired his memory, but he did not officially retire from J. & A. Brown until 1886.28

Alexander bequeathed his half share of J. & A. Brown to his nephews, Alex Brown and the sons of James Brown, John (see page 28), Alexander (1856-1897 and henceforth referred to as Alick), James (1859-1880), William (18 -1929) and Stephen (1870-1958).29

Alexander Brown, the son of William, and henceforth referred to as Alex, was a trusted member of the firm by 1877: he had already established himself in the Newcastle business community and had represented the firm at meetings of the proprietors for some years before 1877. Alex inherited
Alexander's half share of the New Lambton mine but by an unusual agreement with James Brown, agreed to allow New Lambton to remain part of the firm of J. & A. Brown in return for James's promise to regard Alex as one of his sons in the settlement of his property by will.

From 1873 until 1880 John Brown managed the Mimmie property, learned the elements of colliery surveying and gained experience in all the practical aspects of mining from operating the colliery haulage engines to actually getting coal. It may have been the intention of James and Alexander to leave their business in the hands of another J. and A. Brown, one experienced in the law and in the commercial, shipping side of the business and one who had been trained as a colliery manager.

In the past Alexander Brown had shown a continuing keen interest in the overseas trade in New South Wales coal. He made speculative voyages to Indian ports in 1850's, was in England endeavouring to interest British shipping interests in Newcastle coal in 1860, in Europe and the United States in 1864 and in England at least once more, from 1874 to 1876 returning via the United States. His advocacy of N.S.W. coal and the Port of Newcastle appears to have begun in the 1850's when he advertised the port and its coal in Mitchell's Maritime Register.\(^\text{30}\) His efforts were recognised at a banquet in his honour in Newcastle in 1876, upon his return after a lengthy period abroad. Those present were described as the leading businessmen of Newcastle and the Mayor presided. In his opening speech the chairman spoke of Alexander's modesty; "not one of those men particularly adapted to rubbing skirts with the great people of the old World" but he had met the "merchant princes of England and impressed them with..."
"the importance of the claims for reciprocity of trade" of Newcastle and had advocated the port's facilities and the advantages of the district and thereby contributed to its progress.31

In reply Alexander told of his efforts to publicize the port of Newcastle while in London and claimed that the Illustrated London News' engraving of the port with forty large ships lying in it had assisted him. He explained that foreign shipowners were aware of the slowness of loading ships in Newcastle and that this knowledge had deterred them from the trade in coal: he had been able to describe the great improvement to the port and he forecast that "next year the business would come."32

In Australian Men of Mark, Browns made the claim that Alexander had succeeded in establishing a regular and extensive trade between Newcastle and London.

"To his own personal prestige, together with the friendship entertained for him by Mr. William Fane De Salis, by Messrs. Shaw Saville and Co. and by Messrs. Adamson, Ronaldson and Co. may be ascribed the eminent success which attended his mission to the shipping and mercantile firms of London.33

Such claims cannot be assessed: speeches made on such occasions are notorious for exaggeration; even if it could be shown that more British ships or that more ships of the firms mentioned came to Newcastle in the years immediately following Brown's visits, such phenomena could not be attributed to his activities. Perhaps the only thing remaining to be said about Alexander's role in the establishment of the foreign trade is that Brown's was far more of a foreign trade colliery than say, the A. A. Company and that John Brown, in particular seems to have accepted the importance of his uncle's role and this must have contributed to that pride in J. & A. Brown and that determination to maintain and foster it, which distinguished John Brown's term of office as managing director of the firm.

Browns' initial interest in the foreign trade could be attributed to the firm's early experience as shipowners in the 1850's in the N.S.W. coastal trade and as tugmasters from about 1860 - but there was a reinforcing influence at work during the 1860's. Browns developed Mimm in 1859-60 as the capacity of the North expanded rapidly: they could not sit back with a relatively unknown coal and wait for business to come: they followed a policy of shipment on their own account to Australasian and foreign markets. Mimm was then sold, flooded and returned to them with its trade gone. In recovering these markets, developing New Lambton, and then redeveloping Mimm they must have been faced with a recurring need to find markets for large quantities of a coal which was of unexceptional
quality in an industry possessing substantial overcapacity for much of the time. The very unevenness of Brown's performance and their lack of continuity in the production of coal may also have made it more difficult to establish links with the intercolonial coal agents whose demand was regular apart from seasonal variations. The establishment of their London office in 1880 was probably a reflection of the growing link with British shipowners described by K. Burley. The most telling evidence for Burley's thesis is to be found in the experience of the Scottish Australian Mining Company during the 1870's. In July 1874, one fifth of its sales were being arranged by their London Board. In April 1877, the proportion was the same but by November 1878 it was one quarter; it was one seventh in December 1877, but rose to one third in June 1879, one half in January 1885 and one half again in July 1889.

Whatever the advantages of Browns' entrepreneurial ability in the foreign trade a comment from Alex. Brown made at a public dinner in his honour at Newcastle in 1881, puts matters into their correct perspective. In reply to extravagant praise of J. & A. Brown by the Mayor of Newcastle, Mr. Creer, Alex doubted its justification and added:

"It had been the great business of the firm to advance the prosperity of Newcastle in every way because such prosperity meant their own personal aggrandizement and advance as well."

In 1877 Browns informed their fellow Northern proprietors that their sales for the year amounted to 146,000 tons. The Newcastle Pilot's published returns suggest that Browns shipped 121,061 tons to ports outside New South Wales, mainly to China, New Zealand, Japan and San Francisco. Their poor record in the Melbourne market may have been due to the domination of coastal shipping companies there. 38

<table>
<thead>
<tr>
<th>Destination</th>
<th>Tons Shipped</th>
<th>% of Total Newcastle Shipments to these Ports</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>41,926</td>
<td>45</td>
</tr>
<tr>
<td>New Zealand</td>
<td>36,288</td>
<td>25.6</td>
</tr>
<tr>
<td>Japan</td>
<td>13,697</td>
<td>9.6</td>
</tr>
<tr>
<td>San Francisco</td>
<td>9,887</td>
<td>11</td>
</tr>
<tr>
<td>Manila</td>
<td>4,174</td>
<td>3.2</td>
</tr>
<tr>
<td>South Australia</td>
<td>10,723</td>
<td>13</td>
</tr>
<tr>
<td>Victoria</td>
<td>2,366</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Early in 1873 the A. A. Company, Browns, the Newcastle Wallsend, The Co-operative and Waratah Companies adopted a set of proposals designed to maintain the price of coal by apportioning the demand for Northern coal among themselves on the basis of their coal sales in 1871 and 1872. This agreement was the culmination of several months of co-operation between these five producers in the regulation of the industry: attempts to persuade the sixth major mine owner, the Scottish Australian Mining Company, to participate in these arrangements were unsuccessful.\textsuperscript{40}

The Vend scheme, was based upon a calculation of the total sales prospects of the companies involved in it and the member companies were allocated a share of the total estimate based upon their previous performance. If companies exceeded their Vend they would be deprived of a proportion of the profits earned on excess sales in order to compensate any producer who did not reach his quota.

The Associated Collieries had already agreed in the closing months of 1872 to raise the price of coal to 11s. Od. per ton and had laid down regulations governing the commissions paid to foreign customers and to agents and had made certain decisions with regard to their relations with their employees.\textsuperscript{41} (See pages 88.- 89).

With the signing of the Vend agreement, they bound themselves to accept the quota allocated to them and to pay a penalty if this quota was exceeded. Of the total of 600,000 tons which the member collieries were expected to sell, J. & A. Brown were allocated 87,030 tons, only the Co-operative Company had less than this.\textsuperscript{42} (See Table 20).

<table>
<thead>
<tr>
<th>TABLE 20: ALLOCATIONS TO MEMBERS OF THE VEND 1873</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. A. Company</td>
</tr>
<tr>
<td>Wallsend Company</td>
</tr>
<tr>
<td>Waratah Company</td>
</tr>
<tr>
<td>J. &amp; A. Brown</td>
</tr>
<tr>
<td>Co-operative Company</td>
</tr>
<tr>
<td>Total No. of Tons</td>
</tr>
</tbody>
</table>

Source: Records of the Northern Coal Sales Association in the A. A. Company papers in the Archives of the Australian National University.

In fixing the aggregate figure for their trade the proprietors had to make allowance for the absence of the Lambton Colliery from the agreement, though it sold 135,000 tons in 1871 and 149,000 tons in 1872.
The Vend operated in this way. The members conservatively estimated their total sales for the year: in 1873 it was 600,000 tons which was calculated to yield £360,000. This total Vend was then divided into individual quotas according to the shares agreed upon by negotiation: Browns' quota in 1873 was 87,030 tons or 14.2% and this served as a guide for the regulation of the colliery.

At the end of 1873 the five member companies actual sales amounted to 788,935 tons, valued at £446,592,16.5., which entitled Browns to an actual quota to the value of £64,778.5.9. Since their actual sales yielded £74,694.15.1. they had exceeded their Vend by £9,916.9.4.43

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Vend</th>
<th>Total Browns' Sales</th>
<th>Browns' Sales</th>
<th>Browns' Average Price Per Ton</th>
<th>Browns' Vend or Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>1873</td>
<td>788,935</td>
<td>446,592</td>
<td>133,010</td>
<td>74,694</td>
<td>11 3</td>
</tr>
<tr>
<td>1874</td>
<td>871,481</td>
<td>541,532</td>
<td>133,805</td>
<td>82,730</td>
<td>12 5</td>
</tr>
<tr>
<td>1875</td>
<td>896,603</td>
<td>555,047</td>
<td>125,521</td>
<td>77,364</td>
<td>12 4</td>
</tr>
<tr>
<td>1876*</td>
<td>754,538</td>
<td>465,540</td>
<td>81,247</td>
<td>49,243</td>
<td>12 1</td>
</tr>
<tr>
<td>1877</td>
<td>729,914</td>
<td>450,194</td>
<td>142,737</td>
<td>87,239</td>
<td>12 4</td>
</tr>
<tr>
<td>1878</td>
<td>Unknown</td>
<td>472,051</td>
<td>153,411</td>
<td>96,081</td>
<td>12 6</td>
</tr>
<tr>
<td>1879</td>
<td>657,770</td>
<td></td>
<td>113,032</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* not in until 31st March

Source: Returns of the Northern Coal Sales Association in the Records of the A. A. Company.

The whole industry benefited from the higher prices prevailing under the Vend but it favoured the Collieries which were outside it in one significant respect. While the main body of Northern Colliery Proprietors produced about 800,000 tons per annum and demanded a comparatively high price for it, the Northern collieries which did not join the association and the collieries on the Southern and Western Fields of N.S.W. were free to attract trade by reducing the price of their coal.

When the Vend began to operate N.S.W. had just produced 1,012,426 tons of coal in 1872 and the five Vend collieries had supplied almost 70% of this total. During the year 1879 when N.S.W. output was 1,583,581 tons, the same five collieries contributed only 628,947 tons or just under 40% of the total. The virtual disappearance of the Waratah Coal Company explains the loss of some capacity as does the withdrawal of the New Lambton colliery in 1876 but the associated collieries had lost ground during the existence of the Vend.44

The Scottish Australian Company, which was the major Northern Colliery outside the Vend, produced 149,916 tons in 1872, only 127,768 tons in 1874 and then increased its output each year until 1879 when it reached 225,788 tons.
J. & A. Brown joined the Proprietors' Association as the owners of New Lambton Colliery as the Mimi property was not producing at this time and the Proprietors decided that if the Browns re-opened Mimi they would have to divide their quota between the two mines.

The Scottish Australian Company, which was the major Northern Colliery outside the Vend, produced 149,916 tons in 1872, only 127,768 tons in 1874 and then increased its output each year until 1879 when it reached 225,768 tons.45

The record of the Vend Collieries, in terms of output, was generally less impressive.

| TABLE 22: OUTPUT OF VEND COLLIERIES AND SOUTHERN AND WESTERN FIELDS 1872-1879 | (Round Thousand Tons) |
|---|---|---|---|---|---|---|---|---|
| A. A. Company | 184 | 173 | 195 | 224 | 230 | 246 | 233 | 189 |
| Waratah | 170 | 187 | 181 | 162 | 101 | 29 | - | 22 |
| Wallsend | 155 | 202 | 240 | 217 | 167 | 145 | 115 | 162 |
| Co-operative | 97 | 112 | 149 | 183 | 179 | 177 | 176 | 147 |
| Browns | 101 | 175 | 140 | 135 | 95 | 148 | 153 | 107 |
| Southern Field | 87 | 136 | 137 | 150 | 200 | 217 | 238 | 267 |
| Western Field | 35 | 19 | 57 | 76 | 96 | 96 | 120 |

A lost N.I. March 1876.

Source: N.S.W. Department of Mines Annual Reports 1875-1879 and N.S.W. Statistical Registers for 1872, 1873 and 1874.

The collieries on the Southern and Western fields of N.S.W. were also able to improve their positions during the operation of the Vend and in part, at least, their increased production reflected the desire of coal customers to buy more cheaply than Vend prices.

As 1873 came to an end and the terms of the Vend for 1874 were being negotiated, Browns objected to their allocation and according to the terms of the agreement the dispute was taken to arbitration. The decision was not recorded but Browns' 1874 allocation was still 14.5% of the total Vend of 663,634 tons giving them 98,270 tons.46
Such disagreements over the allocations were rare; the Association's Minutes for the period 1873 - 1875 show little evidence of disharmony between the proprietors. Brown's acceptance of their comparatively small Vend and of the decision not to allow them a separate quota for Minni coal shows their appreciation of the Vend conditions of limited competition for trade at 13s. Od., then 14s. Od. per ton.

When the Association met on 1st December, 1875, to consider the future of the Agreement it was decided to renew it until December 31st, 1876; to make provision for admitting new members and to alter the division of profits among the members. Henceforth only one fourth of the profit on excess sales was to be contributed to the Vend Fund according to the following scale.

<table>
<thead>
<tr>
<th>Price</th>
<th>Cost</th>
<th>Profit</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>s. d.</td>
<td>s. d.</td>
<td>s. d.</td>
<td>s. d.</td>
</tr>
<tr>
<td>12 0</td>
<td>8 4</td>
<td>3 8</td>
<td>11</td>
</tr>
<tr>
<td>13 0</td>
<td>8 8</td>
<td>4 4</td>
<td>1 1</td>
</tr>
<tr>
<td>14 0</td>
<td>9 0</td>
<td>5 0</td>
<td>1 3</td>
</tr>
</tbody>
</table>

When this decision was made Alex Brown Junior had it recorded in the minutes that:

"in the adjustment of a basis for calculating the Vend contribution, the sum fixed as the cost is much below the actual cost at the New Lambton Colliery ...".47

Browns had begun to redevelop Minni in 1873 and in the 1874 annual return to the mines department they claimed an output of 140,315 tons for New Lambton and Duckenfield; their Vend sales for the same year were 133,605. Their 1875 return attributed 97,968 tons to New Lambton and 37,582 tons to Duckenfield.48

The Vend sales return claims New Lambton sales amounted to 125,521 tons. It would appear that, while Browns were members of the Vend only in regard to New Lambton, and had no quota for Duckenfield, they were able to have some or all of their Minni production accepted under their Vend allocation.

This situation was altered when Browns lost control of New Lambton in March, 1876, (See page 76) and found it necessary to ask at the Association Meeting of August 8th, 1876, that Duckenfield be accepted as a Vend mine.49 The members agreed and fixed its quota at the level of 114,554 tons on a
full year basis but to operate only from 1st March, 1876, Browns were permitted to sell coal from their private staiths at Hexham at 1s. Od. per ton under the fixed selling price.

Why James Brown offered to sell his half share of the New Lambton mine to J. C. Dibbs on 11th August, 1873, is not clear, but the decision may have been taken in view of the high cost of production at New Lambton, if this was already apparent, and with the intention of using the proceeds of the sale to redeem Mimmi. It had been retrieved from the possibility of foreclosure by John Kales Junior in May, 1873, when the latter accepted £9,000 as final settlement of the debt incurred by J. & A. Brown in buying Mimmi in 1859. The redevelopment commenced late in 1873.

J. C. Dibbs accepted the offer of half the New Lambton Colliery for £20,000 subject to the mortgage of £22,000 but a dispute then developed between James Brown and J. C. Dibbs over Brown's 1868 agreement to sell small coal to the English and Australian Coal and Copper Company at 3s. Od. per ton for a period of 21 years and over payment for coal sold subsequent to Dibbs contracting to buy the half share in the mine. After protracted litigation Alexander Brown, who had just returned from abroad, brought matters to a head in March, 1876 by announcing his intention of dismissing 150 of the 250 employees at New Lambton so that he could operate the mine at a level which would merely return the cost of operation. His intention was apparently to deprive Dibbs of a return on his investment: in so doing Alexander was forfeiting Brown's share of the mine's profits but he could substitute the coal from the Mimmi mine and increase the returns to J. & A. Brown. The 150 miners would have been the victims of the dispute between the proprietors but Alexander's intention precipitated an actual physical struggle for possession of the colliery culminating in a victory for Dibbs who offered to employ all the New Lambton hands. Cross summonses for assault were issued and then withdrawn and the struggle continued with Browns seizing the tug "Rapid" in May, 1877, towing her to Hexham and removing sections of her engine for transport to Mimmi to prevent her recovery by Dibbs.

From the inception of the Wond until 1876, there was no move to reduce the price of coal except for a temporary withdrawal by the Waratah Coal Company in protest at the original raising of the price to 14s. Od.

Nor were there complaints in the Newcastle press or the minutes of the meetings of the proprietors about undercutting by Northern collieries though there were references to low Southern prices when a proposal for linking Sydney and Wollongong by rail was under consideration. Then in July, 1876, J. & A. Brown announced that they would seek to reduce the price of coal: they succeeded only in arousing the ire of the Newcastle press.
By the middle of 1877 the honeymoon was over and one company outside the Association was rumoured to be reducing the price of its coal from 7s. Od. to 6s. Od. per ton when the standard price was still 14s. Od. for round coal and 7s. Od. for small coal. In July the Associated Colliery Proprietors wrote to the miners advising them that six collieries were selling below the agreed price and that the four proprietors remaining in the association were forced to reduce their price to the level of their competitors.

The editor of The Newcastle Morning Herald, quoting a coal agent's circular on July 24th, 1877, condemned the non-associated collieries which had a nominal price of 14s. Od. but were giving bigger discounts than the associated collieries in order to induce agents to sell their coals: the agents, he suggested were not passing on the saving to their clients.

Early in 1878 the Associated proprietors were complaining that they were losing their trade to undercutting outside collieries and using this to justify their refusal to meet the miners in conference on the miners' request for the abolition of the standard weight practice. They also refused to discuss underemployment and suggested that the miners had a remedy for this problem: they could force the non-associated collieries to observe the agreed price of coal - and by so doing, redistribute the trade of the district more evenly.

In May 1878, it was rumoured that Browns were undercutting: James Fletcher and John Brown, who was the manager of Minmi, denied this through the press and used the opportunity to attack one of the proprietors who was outside the Association as "a poor, insignificant, meddlesome nobody" whose imminent departure for England would be of benefit to the colony: relations between the proprietors were worsening.

The Vend Collieries reduced their Sydney price in September and the A. A. Company, the Co-operative Company and J. & A. Brown gave notice of their intention to withdraw from the Association at the end of the year. A Newcastle bank manager reacted by reporting to his superiors that the Association could not survive and that the capacity of the collieries exceeded, by over double, the existing demand for coal: he forecast an immediate weakening of demand as consumers awaited an expected general price reduction.

At the next meeting of the proprietors the principal collieries all withdrew but agreed to wait one month before taking any steps to secure coal contracts for 1879: the way was open for the reconstitution of the modified Vend. The proprietors were waiting for the Hunter River District Miners' Association to attempt what they had been unable to do: to endeavour to bring the Lambton Company, the New Lambton Company, the Waratah Coal Company and the Greta Company to the acceptance of their
Vend principles: a maintained high price of coal and an agreed share of the trade for all.

The Associated proprietors had long lamented the refusal of the Scottish Australian Company, to join the Vend. Its output had been increasing since 1874 and the Wallsend Company, in particular, had suffered a simultaneous severe loss of trade with adverse effects upon the earnings of its work force which had been able to supply 240,000 tons in 1874 and found the 115,000 tons they raised in 1878 as altogether insufficient to sustain themselves and their families. 64

Faced with the inevitable breakdown of the Vend the Associated Proprietors and the miners' leaders had together evolved a scheme by which they hoped to maintain the price of coal and the wage rates of the miners and apportion trade between all the collieries of the Newcastle area. This scheme was set out in a circular from the Union to its members issued in November, 1878. 65 The miners undertook to supplement the voluntary Vend of the proprietors who belonged to the Northern Coal Sales Association by forcing an obligatory Vend on the collieries outside the association:

"we have allotted to the Non-Associated Collieries an annual Vend, based upon the same calculations as those taken by the Associated Colliery Proprietors, by which we propose that the Associated, shall have the Vend they have decided upon, and the Non-Associated Masters the Vend which we have fixed for them. It will, therefore, be seen that, if the men carry out our proposal, it will be impossible for any colliery proprietor, whether Associated or Non-Associated, to exceed their allotted Vend until each company in the trade has had its proportionate share. In other words, we propose to incorporate the Men's Vend with that of the Proprietors', and to ask the miners at one colliery to be no parties in depriving those at another of their trade. The miners working at the Associated Collieries will, by the Vend arrangement of their employers, be unable to encroach upon the trade of each other; and we invite the men engaged at the Non-Associated Collieries to accept the Vends proposed, and thereby, as members of one Union, guarantee to each other a firm basis of mutual operation. In the allotment of the Vend, a very large margin, amounting to 107,152 tons, has been left, in addition to the annual increase of the trade. There is, therefore, every prospect of the various collieries receiving the several Vends allotted to them." 66

The Unions' circular provided for the supervision of both the Associated collieries and those outside the association.
"In order to carry out our scheme, we also propose placing an official in Newcastle who will, in turn, see that the Associated Collieries do not exceed their Vend, and that the Non-Associated Collieries get their pro rata share in accordance with their allotment. This official will act in concert with the representative of the Associated Proprietors; have free access to the books, and thus daily ascertain the quantity of coal leaving the port, and the quantity to be supplied by each colliery. He also will advise the Checkweighman at each of the Non-Associated Collieries, who will in his turn communicate with the men, and regulate accordingly. In other words, the Masters' representative will regulate the work to be done at the Associated Collieries, and the Miners' representative will regulate the work to be done at the Non-Associated Collieries, consequently the men's labour will be more uniform than heretofore."

This circularized Vend scheme to be applied by the miners to the non-associated collieries represents the highwater mark of the unions' 19th century endeavour to control the industry. The proprietors had been unable to co-operate in their mutual interests; now the miners were to be put to the same test and were to be found just as wanting as their employers. Perhaps the most surprising feature of the whole affair was that the Associated Proprietors were prepared to accept such union interference in their affairs.

The Lambton miners adopted the Vend of 150,000 tons for their colliery but in the face of a threat by the company to employ non-union labour many of the Lambton miners ignored the union's instructions and put their trust in the Lambton management which had provided them with continuous work and paid them at the District rates while selling for less than the District price for several years. They continued to work despite the weight of public opinion against them, despite threats of and then expulsion from the union and mass demonstrations by the mining community against them.

When the South Waratah miners stopped work after their colliery had produced the quota allotted to them by the union for the month they were locked out. The refusal of the non-associated companies to accept the scheme wrecked the District Union's plan for averting a return to competition. It tried again to redistribute the trade of the district, and hence employment, by introducing a general limit on production in August 1879 when it instructed the miners to observe two working days of the week as holidays until "an improvement in the trade warrants a change." In view of its failure to control its members in the attempt to impose the vend on the non-associated collieries, this was an optimistic move. It came too late to save the Vend as the Association was moving towards the point of disintegration.
While the Miners' Union tried to foist a Vend on the non-associated collieries, the Association Collieries were establishing their reformed Vend scheme which was introduced on January 1st, 1879. Browns announced the details of the new scheme in their monthly circular to customers:

"The trade of these collieries is to be, in a measure a combined trade, conducted under the management of a general shipping manager whose duty will be to apportion the trade proportionately among these collieries, giving as far as practicable preference to the requirements of customers, but no undertaking positively to supply a particular coal from any of these mines." 71

The rules of the "Associated Northern Collieries", as they now called the association, apportioned the trade in the same manner as before and in the following proportions:

200,000 tons for the A. A. Company
170,000 tons for the Newcastle Wallsend Company
145,000 tons for the Co-operative Company
135,000 tons for J. & A. Brown
60,000 tons for Ferndale

Under the new agreement firms could not be called upon to supply more than 1/26th of their estimated Vend per fortnight and could not be forced to supply part-cargoes of coal. There were penalties of up to £500 per cargo for the supply of dirty coal or for the supply of coal without the order of the General Shipping Manager. The balances of coal sold from each colliery were struck monthly so that the shipping manager could regulate the workings of the collieries and compensation for collieries not reaching their vend was to be paid on a dividend basis: 75% at the end of each month and the balance at the end of the year. 72

This rigid system was accepted because it overcame the problem of unwanted coals and because it lessened the inducement to transactions such as shipment on colliery account which so mixed up the different interests of colliery owners, shipowners and commission agents that underselling could not be detected. 73 It was also hoped that being assured of a share of the trade the proprietors would not feel the need to equip themselves for securing a great rush of trade when it was available they would thus be able to employ fewer workers and reduce costs by avoiding the expense of idle time when the colliery was not operating but had to be maintained. The system had its disadvantages of which the principal was that when customers sought a specific coal and found that it could not be supplied because the colliery of their choice had filled its Vend for the month, they might choose a non-associated colliery's coal. Speculative shipments which had not only raised sales abroad but had also introduced N.S.W.
coal to new markets would also not be possible under the new system. It was recognised that the new system might also lessen the inducement to expand the trade, and to maintain the quality of the coal.\textsuperscript{74}

Initially, this scheme was reported to be working well but as 1879 slipped by it became apparent that the scheme was reducing the total sales of the Vend collieries and especially of the established collieries. Jesse Gregson of the A. A. Company reported that the restrictions on the trade were so onerous that neither his company nor any other Associated Colliery had been able to fill one large foreign order. In the intercolonial trade, the thriving Lambton Company won the Victorian Railway Contract for 1880: it was to supply 60,000 tons at 13s. 8d.\textsuperscript{75} It continued to sell its coal at less than the "Vend" price and to increase its share of a trade which was reduced by the cessation of speculative shipments by members of the Vend: these companies, including Browns, had to be content with a share of the trade which came to Newcastle and this reduced the trade of the A. A. Company which had not indulged in speculative sales.\textsuperscript{76}

The membership of the A. A. Company was vital to the Association and Gregson, its superintendent, expressed his dissatisfaction with the system and the encouragement given under it to the Miners' Union to interfere in matters which had been the prerogative of the proprietors. He found his colleagues in the Vend too disinclined to defend themselves from the Union's encroachment on their domain.

"I consider it my duty to my employers to object as long as possible to dictation from the miners as to whom I should or should not employ, as to the hours of daily labour, or as to limiting the output of your (the Directors') pits to suit their ideas of right and wrong ...."\textsuperscript{77}

When the proprietors met on September 3rd, 1879, the A. A. Company notified the meeting that it would withdraw from the Associated Northern Collieries on September 1st, 1880.\textsuperscript{78} The Newcastle Coal Mining Company, established in 1877, hampered by an unknown coal and restricted by a small vend, was further embarrassed in November, 1879, when the Association fined the company 3s. Od. per ton for the coal taken by the "Lady Darling" which was loaded without notification to the Shipping Manager within 24 hours.

It withdrew from the Association in February, 1880.\textsuperscript{79} The Newcastle Wallsend Company and the Co-operative Company had already announced their intention to withdraw and the Vend was collapsing.\textsuperscript{80}

When J. & A. Browns' Monthly Circular to Customers appeared on March 23rd, 1880, it explained that the price of Minai coal had been reduced from 14s. Od. to 10s. Od. per ton for large coal, but advised that prices should not be considered as stable, they would probably fall to 7s. Od. before
June 1880. The circular went on:

"The fall in price is solely attributable to the conduct of the superintendent, in this colony, of one of the English Companies, who for the past seven years has stood aloof from the other large coal owners and has, by offering discounts to purchasers, secured a large output for his colliery."81

The consequent loss of trade had injured the other proprietors who

"consulted together and decided to bring prices down to such a rate that the selling price would leave no margin for them, and consequently no margin for the colliery in question, and they are determined to keep prices down until this Company is prepared to admit the demand for coal is not equal to one fourth of the supply, and that instead of competition they should each take a fair share of the trade."82

The break up of the Vend has been attributed by R. A. Gollan to a downswing in the economy.

"The period of the agreement was the upward phase of the cycle marked by an expanding market, high prices, a high level of investment, and high profits. When the downswing began in 1879, the proprietors' agreement soon broke down in the scramble for the diminishing market."83

N.S.W. output did fall from 1,583,000 in 1879 to 1,466,000 tons in 1880, a drop of 117,000 tons, and production in the Northern district dropped from 1,196,000 to 1,079,000 tons, an identical drop of 117,000 tons.84 Southern production was also 27,000 tons lower in 1880 than it had been in 1879 but these reductions cannot be attributed to a downswing in the economy nor can they be held responsible for the break up of the Vend.85

An examination of the destination of coal sold during 1879 and 1880 reveals that exports of N.S.W. Coal to Australasian ports was practically constant in 1878 and 1879, but there was a drop of 70,000 tons in 1880: a year in which the shipment of coal was disrupted by a strike at the mines of the Associated Colliery Proprietors, from April to June. (See Figure 7 and for the strike see pages 138 and 139).
TABLE 23: N.S.W. COAL PRODUCTION BY DESTINATION 1879-1881
(Round Thousand Tons)

<table>
<thead>
<tr>
<th>Destination</th>
<th>1878</th>
<th>1879</th>
<th>1880</th>
<th>1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australasian Ports</td>
<td>623</td>
<td>621</td>
<td>551</td>
<td>657</td>
</tr>
<tr>
<td>Home Consumption</td>
<td>569</td>
<td>585</td>
<td>713</td>
<td>740</td>
</tr>
<tr>
<td>Total</td>
<td>1192</td>
<td>1206</td>
<td>1264</td>
<td>1397</td>
</tr>
</tbody>
</table>

Source: N.S.W. Mines Department Annual Report for 1914

The New Zealand trade decreased by 51,000 tons as several large contracts were lost to collieries which had opened in the Bay of Islands District of that colony. This loss could not be attributed to a downswing in the Australian economy.

TABLE 24: EXPORTS OF N.S.W. COAL TO NEW ZEALAND 1877-1881
(Round Thousand Tons)

<table>
<thead>
<tr>
<th>Destination</th>
<th>1877</th>
<th>1878</th>
<th>1879</th>
<th>1880</th>
<th>1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>149</td>
<td>182</td>
<td>174</td>
<td>123</td>
<td>128</td>
</tr>
</tbody>
</table>

Source: N.S.W. Mines Department Annual Report for 1879 and 1880.

New South Wales Coal consumption made a small increase in 1879 and increased strongly in 1880 and thus tended to offset the reductions in the intercolonial trade. If there was a downswing in the Australian economy in 1879-80 it merely had the effect of reducing the rate of increase in coal consumption and it could not therefore be accepted as an explanation of the break up of the Vend agreement as Bollan suggests; the domestic market was not diminishing.

The foreign trade in N.S.W. coal must also be considered in this respect for as Burley has shown, level of imports into Australia could have an influence on the shipping tonnage available for the export trade in coal. If it could be shown that a depression in Australia reduced the flow of imports and by reducing the availability of shipping, diminished the export coal trade, Gollan's interpretation could be accepted.

TABLE 25: N.S.W. COAL EXPORTS TO FOREIGN PORTS 1878-81
(Round Thousand Tons)

<table>
<thead>
<tr>
<th></th>
<th>1878</th>
<th>1879</th>
<th>1880</th>
<th>1881</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>383</td>
<td>377</td>
<td>203</td>
<td>372</td>
</tr>
</tbody>
</table>

Source: N.S.W. Mines Department Annual Report for 1914
The year 1879 showed a slight drop but this was the year when the Vend collieries restricted their practice of speculative shipments which were usually to foreign ports and the proprietors announced their withdrawal before the severely curtailed foreign trade of 1880 could have had any impact. This loss of 174,000 tons may be attributed to the stoppage of the mines and the consequent time-lag between the ending of the dispute and the resumption of the foreign trade.

The break up of the Vend was due to the refusal of the Lambton Colliery to join the Northern Coal Sales Association and to its successful capture of trade by selling its coal for less than the Vend price. The effects of this company's policies were causing concern in 1878 and the altered Vend Agreement of 1879 probably exacerbated the situation by alienating customers who were denied the coal of their choice. The action of the Miners' Union in endeavouring to force the non-associated collieries into the 'Vend' system also increased the tensions within the ranks of the Vend Collieries, and helped to precipitate the break up of the agreement, because some proprietors objected to the Union's knowledge of, and interference in the running of their businesses.

Some of the miners from the Associated Collieries found that their high rate of pay did not compensate them for the intermittency of their employment but others boasted of their high rates of pay and attracted new labour to the industry. A letter from "A Durham Miner" to his parents in England found its way into an English newspaper and eventually reached New South Wales.

"Our pit (Wallsend) has only been working three and a half days per fortnight this past twelve months, but the difference between our pit and the Durham pits is that we make from 15s. Od. to 18s. Od. per day ... So you see I have plenty of time on my hands. I spend a good deal of my leisure time with the gun ---."90

The Miners' District Secretary criticised the writer of this letter for giving the impression that his life was rather like that of an English country gentleman.

During the 1870's the work force was boosted by a higher rate of immigration so that it tended to outgrow demand, especially in 1879, and the Northern miners began to complain of the oversupply of labour in their district. The proprietors must share the responsibility for the situation for they engaged more labour than was necessary.92

The Vend system contained the seeds of its own destruction: high prices resulted in the establishment of new mines either in N.S.W. or in
colonial or foreign markets: high profits facilitated the increase of the capacity of existing mines: discontinuous mine operations made for inefficient working with high costs of production and high wage rates attracted more labour to the industry and made high rates essential to underemployed mine-workers: thereby tending to keep us costs. High prices also made it possible for competitors to undercut the Vend members and so, to capture their trade.

Browns shared in the general prosperity of the period: they raised between 1873 and 1879, both years inclusive, about 1,400,000 tons of coal from New Lambton and Mimm. The value of this coal they estimated to be about £700,000 plus the value of 243,000 tons of coal raised in 1877 and not valued in the Annual Report of the Department of Mines. If the average value of 12s. 6d. for 1877 be imputed to Browns' coal then an additional £145,800 needs to be added to the value of coal raised in the period to give a total of approximately £845,800.93

Of this production, about 40% came from New Lambton between 1874 and 1879, and of this Browns were entitled to only half the profit as James sold his half share in the property in 1873 and had to repay £20,000 to J. C. Dibbs after legal action had resolved the situation. (See page 76).

In 1892, William Brown described the firm's property in 1877 as comprising the Mimm Collieries, valued at £200,000 or more; freehold houses at Mimm on Colliery lands with an annual rental of £2,000; a fleet of steamers and tugs, valuable freehold property at Newcastle and a freehold cattle station worth about £10,000. There was also the mercantile section of J. & A. Brown which consisted of a chartering agency for the ships to carry Mimm coal and the half share in the New Lambton mine, judged by J. C. Dibbs to be worth about £51,000 in 1873, when the Vend was in its early stages.94 An 1888 estimate by the family valued Alexander's property at £250,000 in 1877.95

Estimates of this nature were probably exaggerated in order to impress but there is no doubt that the firm had amassed a great deal of property. The 1877 market value of a mining property such as Mimm cannot be estimated, for sales of a property of this magnitude have rarely if ever, occurred in the history of the Newcastle area. Moreover, this was the period of the strength of the Vend and prosperity of the period would have inflated values which could quickly be deflated by a single strike threat or the secession from the agreement of perhaps one large colliery.96

James Fletcher provided an estimate of Browns' profits during the Vend years in a legal action brought by Browns against him in 1884. He had thirty years experience in coal mining in all its aspects and was still a close friend of Browns in 1881. It was his testimony that Browns had made £200,000 from the introduction of the Vend in 1873.97
Until March 1876 J. & A. Brown operated the New Lambton Colliery which they had brought into production early in 1869 when the *Newcastle Chronicle* informed its readers that New Lambton would compare favourably with the other mining villages which were scattered around the outskirts of Newcastle. Descriptions of New Lambton at this stage of its development have not been found but it can be assumed that it was similar to the Mimmi township though less isolated and so less dependent upon J. & A. Brown.

When Browns began to redevelop Mimmi late in 1873 they ran into difficulties because their tunnel struck a section of the old workings which were flooded and they were forced to recommence the work on a new site on the land they had purchased adjacent to Eales' Mimmi Estate. When they uncovered a seemingly workable six foot seam of coal at a depth of 16 feet in January 1874, the local newspaper commented "This will put new life into this locality which was fast assuming a desolate appearance." For some weeks after this development the papers Mimmi correspondent elatedly reported the finding of coal, the increasing activity in the village and the opening of new businesses but on the 27th June the rival newspaper claimed that there was still no coal to be sold and reported that men were being dismissed and that the prospects were bad. But in September the mine was ready at last, the skips for transporting the coal were being built, there was a new colliery clerk and a teacher had been appointed to the school.

Production from the Mimmi property was probably small in 1874 and 1875, when the colliery was listed as having produced only 37,562 tons. Mimmi production was listed in the Newcastle papers, up to March 1876 under the New Lambton heading and there is some evidence to suggest that the Mimmi output was included in the New Lambton Vest allocation (See page 75) it is therefore difficult to decide what output came from Mimmi in this period.

Browns re-equipped the Mimmi workshops elaborately so that in 1878 when they were adding wings to the building and enlarging the smithy by setting up a new fan and four new forges, their establishment was said to already enjoy the reputation of being the most "extensive and complete for engine fitting purposes out of Sydney." These additions were being made to enable the firm's steamers to be maintained.

In 1879 the firm opened a second mine, the New Tunnel at Mimmi and as the mines and their ancillary services were developed, the workforce grew and the township flourished. There were only 115 miners employed at Duckenfield in 1875 but by 1878 there were 437 at this mine and the new Back Creek Colliery.

As their Mimmi estate was redeveloped Browns became the proprietors
once again of a private town: in this capacity they were in a position to control the environment in which their employees lived. Housing continued to be the responsibility of the residents but Browns gave encouragement to those who wished to build a comfortable dwelling by providing 21 year leaseholds for housing sites at small rentals.  

The businesses of Mimmi were also conducted in buildings erected by their owners on land leased from Browns: the lessees possessed only the surface rights to the land so that the proprietors would not be hampered in the extraction of coal by complaints from property owners threatened by surface subsidence. Mimmi tenants possessed the right of charging incoming tenants for any improvements effected by them during their tenancy but were not entitled to remove anything from the basic structure. The length of the tenancy probably encouraged the construction and maintenance of a better type of dwelling than would otherwise have been the case but the lack of a freehold title limited the interest of the miners in permanent structures. 

Browns allowed parts of their land to be alienated in some cases: the Masonic Lodge received the deeds to the site of its building: the public school land had to be conceded as did the land later resumed for a courthouse: some churches appear to have been treated in this way too but generally the proprietors could be described as owning the township. When the growth of the population demanded a new public school, Browns gave the land and made a substantial contribution toward its cost of construction in stone. When the foundation stone of the school was laid in 1877, John Brown who managed Mimmi from 1873, when he was 22 years old, until 1879, played a leading part in the ceremony. The newspaper description of the function and the report of the speech provide insight into the life of the town and the early views of this most influential member of the Brown family.

After a procession of 300 children, members of the School Board, the Druids with banners and the Grand United Order of Oddfellows, had moved past the manager's house to the school site, John Brown laid the stone, paying a moving tribute to his late uncle Alexander's rare gifts and good heart and to the forethought which he shared with James in building Mimmi, and offered his own assistance in any "worthwhile project." John reminded his audience that this was his first public appearance though he had been known from boyhood to many of those present. He sincerely urged everyone to make use of the school and to have every child taught to read and write and to receive "the elementary portions of a sound, good English education." He went on to quote "the great Professor Tyndall! "When you and I like streaks of morning clouds, shall have melted into the infinite ages of the past" and was then subjected to some banter about a suggestion that he had rubbed brass filings onto his face before speaking. Perhaps he bore the traces of his work in development of the mine. John was a member of the school board.
After the children had sung "My Own Native Land" Alex Brown responded to a vote of thanks to the firm for donating the land for the school and assured those assembled of Browns' willingness to support any good cause. When a Mechanic's Institute was established in Mimi in 1878 the firm made the old school building available and made a "liberal donation" to the Institute's library fund. 111

There were almost certainly other occasions when Browns assisted the Mimi townpeople in this period but the assistance would have been similar. However, the town was not laid out or planned; it lacked paved roadways or footways and there was no provision for drainage or sewage disposal. (See also page 126).

The period from February 1873 to March 1880 was marked by a degree of industrial harmony for which one is quite unprepared by the events of the preceding thirteen years. From 1860 to early 1862 the proprietors had felt the force of the District Union in its first flush of enthusiasm following its successes of 1860 and 1861: from the defeat of the Union by the A. A. Company in 1862 until early 1873 the union experienced the resurgent power of the proprietors as they dominated an oversupplied labour market. During the existence of the Vend, labour and capital co-existed in a comparatively peaceful manner as they pursued a common objective, the maintenance of the Vend Agreement. The dividing issue in this period was not the men versus the masters but the supporters of the Vend, both proprietors and unionists, versus those who chose to evade its rules while prospering under its mantle.

As R. A. Gollan has written,

"The general picture we have of these years is of a moderate unionism, with substantial agreement between union and management, made possible by high coal prices, high profits, high wages and arbitration to iron out disagreements." 112

The proprietors too, were generally moderate in their treatment of their employees and relations between Browns and their employees fit this general description.

With coal selling at 14s, Od, and the hewing rate fixed at 5s. Od. per ton, the first principle of mine ownership became continuity of production and sales: minor concessions could be made to employees and arbitration, which tended to produce a compromise settlement, could be indulged in. Browns played their part in the preservation of the industrial peace.

In July 1872 the proprietors of the A. A., Walleseed, Waratah, New Lambton, Mimi and Co-operative collieries met to determine what action they would take in response to the Union's demand for an increase of 6d. per ton in the
bewing rate. The Manager of Lambton was invited to be present and expressed his own desire for better relations with the other proprietors but explained that he could not ask his superior to meet the representatives of the New Lambton and Co-operative Collieries. They decided that in the event of the Union singling out one colliery and striking at that colliery in order to obtain the increase demanded, they would contribute 1s. 0d. per ton on its "average weekly vend" for the half year from January to June 1872. They also decided to offer the Union an immediate increase of 3d. per ton and a further rise of 3d. per ton to take effect at the beginning of 1873. 113

From this point the proprietors jointly decided policy in the handling of labour and in dealings with the Union. The question of the length of the working day was dealt with in this way, the negotiation of the arbitration agreement was also carried out jointly, as was the negotiation of the agreement about the payment of "considerations" and the proprietors as a body agreed to the Miners' request for an Accident Relief Fund in 1876. When the need arose for the assistance of the union in the maintenance of the Vend the associated proprietors again acted jointly and throughout this period there appears to have been no betrayal on the part of any of the proprietors of the policy so determined: there were no parallels to the action of Browns in 1861 or to the action of the Stockton Colliery when it deserted the proprietors' cause during the stoppage of 1888. 114 (See page 109.) This willingness to accept the commonly decided policy was probably due to a number of factors: there was the prosperity, there was the agreement over wage and price levels and the policy of the Associated Masters in dealing with labour was not yet the strictly expressed and enforced code of the later periods. There were, in fact, no major disputes between the Associated Proprietors and the Unions from the end of the dispute over the length of the working day which closed the mines for six weeks in January - February 1873 until March, 1880. 115

J. & A. Brown, as loyal members of the Association, assisted in the making of its policy and the negotiation of the various agreements with the union with Alexander Brown or Alex Brown usually representing the firm.

At the end of 1873, the Associated Proprietors and the Miners' representatives, signed a District General Agreement establishing a sliding scale of wages which provided that the hewing rate per ton of coal would be adjusted by 3d. per ton for every rise or fall of 1s. 0d. per ton in the price of coal with a minimum of 3s. 6d. which would be reached when best round coal was sold at 8s. 0d. per ton. Provision was also made in the agreement for the submission of disputes to a council of arbitration to consist of five persons, two nominated by each of the parties and an umpire acceptable to the other four. 116

In addition to the sliding scale agreement the Union and the proprietors
negotiated an agreement in 1875 which laid down the rates of extra pay to apply to miners who found themselves placed in sections of the mine where conditions made it difficult to produce the usual quantity of coal. These payments, or "considerations," were to apply when seven types of "deficiency" existed. Thus for the coal he produced the miner could expect to be paid at least 5s. 6d. per ton and as the Mimi miners usually obtained between two and three tons of coal per day per man, their daily wages would have ranged from 10s. 6d. to 15s. 6d. per day, plus any considerations for working in deficient places.

The availability of work is the other factor which must be considered in estimating the level of miners' wages during the period of the Vend. The broken nature of the miner's work, already noted in earlier chapters, was again a feature of his industrial life in the 1870's. There are some press references to intermittency of work: for example, when Alexander Brown returned from England in 1876 with the new steamer "Duckenfield" and the dispute occurred over the ownership of New Lambton (See page 76) the Mimi miners were reported to be expecting more regular work, there appear to be no records surviving to indicate the days worked by Browns' miners at this time. The operation of the Vend may have moderated this feature of the life of the mining community.

When the pattern of Browns' weekly production in 1877 (Figure 9) is examined the greater regularity of the output under the Vend System is revealed. It is possible that the pattern of demand had also changed in such a way as to contribute to this development.

**FIGURE 9: WEEKLY OUTPUT OF THE MIMI COLLIERS 1877**
At the end of each year after 1875 J. & A. Brown supplied the N.S.W. Mines Department with the number of workers normally employed at their mines. This information with the annual output of the mines yields a crude measure of output per underground worker per annum. The value of "output per underground worker," when obtained in this way, is limited because many underground workers did not obtain coal and the figure will be lower than the actual productivity of the miner. Even so, the concept is helpful in indicating the degree of employment of the miners and as a rough measure, when combined with the hewing rate, of changes in the level of their income.

If "tons produced per underground worker" is multiplied by the hewing rate to obtain "income per miner," two additional qualifications must be made. The hewing rate was a basic rate to which "considerations," for working in abnormally difficult conditions, were added: these varied from time to time and from one section of the mine to another and so no allowance for them can be made. Their omission would reduce the income estimate below the miners' actual income. The small coal being produced in this period, 1873-1880, was usually won as a by-product of the mining of large coal and was either not paid for or paid for at a trifling rate but it was included in the output of the mine. It usually amounted to about 15% to 20% of large coal and its presence gives a higher than actual income per miner.

These last two limitations, which have a cancelling-out effect, do not destroy the value of the concept and where more reliable information is not available it will be employed.

<table>
<thead>
<tr>
<th>TABLE 26</th>
<th>OUTPUT PER UNDERGROUND WORKER IN NORTHERN DISTRICT COLLIERIES 1876 - 1882</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1876</td>
</tr>
<tr>
<td>Browns' Mimmi</td>
<td>424</td>
</tr>
<tr>
<td>Northern Collieries</td>
<td>341</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Reports 1876-1882

In 1876 the Mimmi mines produced 424 tons of coal per underground worker; in 1877 there were 49 more miners but output was greater and average annual production per man employed below was 507 tons. Output was similar in 1878 but the underground workforce was increased by 58 and in the following year, when production fell by 30%, there was a further increase of 23. The result in terms of output and income per miner was a sharp decline from the 1877 figure to 287 tons in 1879.

The Mimmi miners resisted these additions to their ranks and in 1877,
though they were criticised by the Delegate Board for the long hours they worked, tried to raise the Union’s admission fee from 2s. 6d. to £2.5.0.124

It was not until 1880 that Browns adjusted the size of their underground work force to the demand for their coal so that in the two following years their output per worker rose to 624 tons in 1882, the highest level reached at Mimmie in the 19th century.125 (See Appendix 4).

The New South Wales Government’s "Act for the better regulations of Coal Field and Collieries" of 1862 (See page 46) had begun the task of regulating conditions in the State's coal mines but it had not been very successful in one vital respect. From 1860 the miners of the Northern District had pressed for a Regulation Act to improve the ventilation of the mines and section nine of the 1862 Act stipulated that "ventilation shall be constantly produced of adequate amount to dilute and render harmless all noxious gases and to such an extent that all working places ... shall be ventilated ...

The Inspector of Mines' difficulty in enforcing such a vague regulation was clearly demonstrated in December 1869 when T. E. Lewis inspected J. & A. Brown's New Lambton mine. He made an initial visit, decided the ventilation was inadequate and ordered that an improvement be made. When he returned to the mine three days later he found that the air supply had deteriorated and reported that in three headings of the mine "the air current does not circulate through them at all and the miners suffer great and unnecessary hardship in consequence."

Alexander Brown's reaction to the proposed 1862 Bill, in the still prosperous year of 1862, had been lighthearted (see p. 48) but James Brown's response to the visit of T. E. Lewis in the decidedly more harrowing days of 1869 was very different. The Inspector commented in his annual report for 1869 that he had received "rather harsh treatment" from Mr. James Brown when he made his visit to New Lambton on December 1st. Undeterred, he returned to the mine at the end of the month and received further complaints about the inadequate air supply.

A bill to amend this situation was introduced into the N.S.W. Legislative Assembly in 1873 and in the Miners' Union and the Associated Colliery Proprietors made joint representations to the government on the regulations to be enacted. They found it possible to co-operate on this matter in those prosperous days.

The 1876 Coal Mines Regulation Act was not dissimilar from its predecessor but where the 1862 Act had simply required adequate ventilation and had failed to be specific with regard to other regulations, the new act endeavoured to set up exact minimal standards. It stipulated that the proprietors provide "one hundred cubic feet of pure air per minute for each man, boy and horse, which shall sweep undiminished along the airway past each working place." The mines were also to be "divided into districts ... of not more than seventy men and each district shall be supplied with a separate current of fresh air."
The duties of the inspectors were set out in the 1876 Act in these terms:

"It shall be the duty of the examiner or inspector to ascertain the state and condition of all mines and to obtain plans of all workings thereof and reports of all accidents therein and other matters of importance therewith and especially of every breach of this act."\(^{130}\)

Monetary penalties, similar to those established by the 1862 Act could be imposed on proprietors who breached the Act and in addition the inspector received the power of closing sections of the mines where the ventilation did not exceed one hundred feet per minute per man, boy and horse.

Browns' reaction to the increased powers of the inspector has not survived and their hostility may have been moderated by the prosperity of the Vend years, but by 1881, after prices had crashed, they were reacting with their 1869 brand of belligerence to interference from the miners' secretary and the Inspector of Mines.

James Curley drew the attention of the Inspector to the alleged proximity of the flooded, abandoned, original Minni mine and the Back Creek Colliery workings. Both the 1862 and the 1876 Acts had directed proprietors to ensure, by means of exploration by means of bores that they did not approach too close to such workings and Curley's accusation was a serious one.

When the Inspector of Mines approached the firm, Alex Brown investigated, denied the truth of the charge and asked for the identity of the informer. When Curley's role was revealed J. & A. Brown threatened legal proceedings against him so the Minister of Mines demanded a report of the situation of the workings at Minni. The Inspector reported that the flooded mine and the Back Creek Colliery workings were at least 35 chains apart.\(^{131}\) Browns appear to have decided not to carry out their threat.
The usual dissatisfactions arose between Browns and their employees between May 1873 and March 1880 but there do not appear to have been either strikes or lockouts during this period. 132

When John Brown asked the District Union for permission, as a matter of urgency, to work the New Tunnel on pay Saturdays which were normally holidays, in July 1877, the Delegate Board granted his request though the Mimmi miners protested against the decision. During 1877 too, the miners had to cope with difficult roof conditions in the New Tunnel with frequent falls necessitating the use of a great deal of extra timber in working a seam which at 5'6" was considered to be too thin to allow/leaving of a ceiling of coal which may have provided a more secure roof. 133

The Mimmi miners found it necessary, in the winter of 1877, to complain to the Inspector of Mines about "miserably deficient air" which they attributed to the manager's failure to make cut-throughs in the mine workings at sufficiently short intervals so that men were said to be working "60 or 70 yards from any cut-through." 134

In August 1877 the New Tunnel miners attempted to join the Duckenfield Lodge of the Miners' District Union but they were prevented from doing so by Browns who threatened that if they did not form a separate lodge they would be unable to form one at all: presumably because the mine would not be worked or the men would be replaced. 135 The District Union advised the men to press for a common lodge but no action was taken to enforce this view and separate lodges came into existence at Mimmi.

Issues such as these were sufficient to provoke bitter industrial disputes on later occasions but not in this period of improved relations between the Union and the Proprietors. The results of the improved financial conditions and industrial relations existing in the industry were visible from the earliest days of the Vend. One colliery proprietor, the chairman of the Northern Coal Sales Association was presented with an address engrossed on parchment by the District Union on his retirement in 1876: it expressed appreciation of his courtesy. The proprietors also made their gestures and in 1875-6 agreement was reached on a plan for the establishment of a Permanent Relief Fund: the proprietors having raised
their contribution from an original offer of 10% of the miners' contributions to 16.66%. At Mimmi Browns appear to have been, if anything, closer to their employees than was the case elsewhere.

When their new mine was completed in January 1877, J. & A. Brown provided a banquet at Morgan's Hotel, Mimmi, for the contractors who had undertaken the project and the workmen who had laboured on the developmental work and the building of the branch railway which linked the new mine to the Mimmi-Hexham line. John Brown represented the firm with two representatives of the Newcastle Office also present.

Late in 1878 Browns arranged the first of the annual picnics, which were still being held in 1915. The employees and their families and friends were taken by the colliery railway to Hexham where one of Brown's steamers, "Goolwa" took them to Newcastle for a harbour cruise at the conclusion of which they passed under a high level bridge where James Brown was waiting; he was greeted with "For he's a jolly good fellow" as rendered by the Mimmi Brass Band.

Before John Brown sailed for England in May 1878, he was farewelled at a banquet at Mimmi: the press report of this function merits a close examination as it indicates the state of industrial relations at that time and reveals something more of the character of John Brown at the age of 27 years.

The chairman at this function, the engineer at Brown's workshops, paid tribute to him for his ability "in laying out that (Mimmi) Colliery" and said that "The undertaking was a gigantic one for such a young man." He praised John's beneficence to churches, his ability to outdo others at all the "manly sports," his ever ready financial support for school picnics, his readiness to summon medical aid for the injured and to give aid himself and his great concern for the welfare of his employees and their families.

In reply John expressed his initial aversion to the proposed banquet which he believed would be forced and insincere and given over to flattery, but in the face of the insistence of the deputation which visited him and, not wishing to offend, he had accepted the invitation. He then spoke of his father with great affection and went on to conclude:

"It may be severe for me to say that I look upon our relations as labour and capital. You have the one to give, and it is my duty to see that for every shilling I pay I get its value. Some of you may have thought me hard and exacting but I have my duty to perform to my employers and in doing what I thought right my judgment may have fallen severely on some of you; this you must remember, not among my frailties but among my virtues, and when it comes again you will remember what I have told you tonight."
When John Brown returned to Minmi after his voyage to the United Kingdom via Hongkong, on 4th January 1879, his horse and buggy was met by the Minmi Band playing "Johnny Comes Marching Home" and at another banquet Messrs. Sims and Brady, read an address:

"We, on behalf of the inhabitants of Minmi desire to convey to you the great pleasure it affords us in welcoming you back amongst us. In visiting the land of your ancestors, you must have been surprised at its large manufacturing industries: but you could not fail to notice the advantage that you as an employer of labour, and we, as employees, enjoy over the old country in the harmony that exists between capital and labour in this district, which we hope may long remain undisturbed." 140

In his reply to the address of welcome which included jocular references to his return without a wife, John Brown remarked that at the farewell banquet

"I hinted to you that in my travels I hoped to learn something that would be mutually beneficial to us all: and, without appearing egotistical, I may be permitted to say that I have done so." 141

He went on to refer to his visits to many mines in England, Scotland and Wales, to compare the mining methods in use there and reported his conclusion that low prices and low wages brought no advantage and concluded:

"I would, therefore, counsel you to beware of those individuals who get up the silly cry that cheap coal and low wages are essential for the benefit of the coal trade, for so sure as you once submit or admit the right of all, or any proprietor, to sell coal at any price he, or they may think proper, so sure will your condition be worse than it was six or seven years ago." 142

John Brown then referred to his duty to his father and expressed his intention of working as energetically as before. He described Minmi coal as being well and favourably known in almost every port of the world where coal was used.

"This being the case it is your duty to assist me in keeping up its prestige. There are many miners who are indifferent as to the state of the coal sent from the pit. Such men seem
to think that their responsibility lies in deceiving those whose duty it is to see the coal properly cleaned. This is a great mistake and, if persisted in, will assuredly bring ruination on this or any other colliery where such a system is practised.\textsuperscript{143}

In referring to those who wanted to destroy the agreement between the masters and the miners he remarked:

"but I had no fear of this class: The Advocate had laid the matter too plainly before the world for the common sense portion of the miners to give up a power such as was never held by working men before."\textsuperscript{144}

In his speech of welcome James Fletcher referred to John Brown's letters from England which lamented the state of the industry and the conditions of the miners there and complimented Brown on his declared intention to do all in his power to prevent any similar developments in the Newcastle district.

Allowance must be made for the occasions at which these speeches were made but even when this is done there remains conclusive evidence of a cordial relationship between proprietor and employee and of a genuine interest in the welfare of those who depended upon the firm, and even of miners elsewhere. The paternalism which was characteristic of the older Brown was already visible. Occurring very frequently too, were the references to "duty" and "responsibility." In the 1890's and subsequently, when the actions of Browns' employees were not in accord with John's concept of "duty" and "responsibility" to the firm of J. & A. Brown, they were crushed with a steely determination. In January 1879, conditions were still such as to emphasise the framework of common interest which proprietor and employees shared, the preservation of the Vend of 1873.

When the Vend system was suspended in March, 1880, the proprietors decided to reduce the price of coal until the Lambton and other non-Associated Collieries were forced to accept the need for a Vend scheme. (See page 82). They also announced their intention of reducing the wages of their miners from 5s. Od. per ton to 3s. 6d. per ton, though, in accordance with the sliding scale which had operated since 1873, the hewing rate should have been 4/- when the declared selling price stood at 10s. 6d. \textsuperscript{145} Gollan has shown that Jesse Gregson of the A. A. Company advocated the more severe reduction on the grounds that it would further weaken the union and drive some of the surplus miners from the district. Gollan suggests that the proprietors by 1880 saw an overlarge workforce as a factor in keeping up wage rates. \textsuperscript{146} If his analysis of the situation is correct then the
proprietors were to act inconsistently during the 1880’s when they again allowed the workforce to outgrow the needs of the industry. (See Appendix IV)

If the proprietors, as Gollan suggests, based their policy on the assumption that the union was powerful enough to divide the available work "without too severe suffering so long as the wage rates were high," then they were flying in the face of the facts, for the poverty of the Wallsend Company’s miners in November 1878 was so severe that the company offered to make up the pay of its miners to £1. 0s. Od. per week to keep them from actual want when their wages did not reach that level. Any money advanced was to be repaid in the future when the trade was "properly regulated." The company had to pay out £380 in the first pay period as the mine had not worked in the preceding fortnight.\(^{147}\)

The motives of the proprietors in deciding to reduce to 3s. 6d. are difficult to determine: Orengson’s advice was probably very influential and there had been a growing irritability on the part of the proprietors during 1878 and 1879 at the Miners’ Union’s failure to restore the Vend scheme through the controlled action of its members.\(^{148}\) Faced with the prospect of a period of cut throat competition for trade and a profitless existence, the proprietors probably decided to share their discomfort with the miners. This decision and the long strike which followed it, ensured that the degree of harmony which had existed between the proprietors and the miners from 1873 and 1880, would not be restored.

In the thirty years which elapsed between their entry into the coal industry and the establishment of the Vend in 1873, Browns had accomplished much but they had also tasted the bitter gall of failure and heavy financial loss. The insecurity of the 1840’s had given way to the wealth of the period from 1852 to 1862 but the next eight years brought the firm to its knees.

Then came the Vend, restoring the firm to financial security and the partners to affluence and substituting relatively harmonious relations with the miners for the bitterness of the middle 1860’s. For Alexander Brown these were the full years as he travelled the world indulging in his penchant for the mercantile, returning in his new steam ship to be the toast of his peers, the businessmen of Newcastle. In addition he was secure in the knowledge that another Alexander Brown, his nephew, an able lawyer and a successful businessman, would be there to succeed him.
From the disintegration of the Vend until its re-establishment at the end of 1861 the coal industry lapsed into a state reminiscent of the late 1860's. With a capacity in the North much greater than normal demand necessitated, the collieries competed fiercely for trade in a year of depression. The resulting reduction in the price of coal and the redistribution of trade under free competition convinced all the principal northern coal producers of the need to renew the Vend. With prices raised and trade shared, they were in a position to take advantage of the continuing but less stable, economic expansion of the 1860's before entering the most difficult period in the 19th Century history of the industry after 1891.¹

N.S.W. output suffered five annual decreases in the period from 1890 to 1893: they occurred in 1880, 1886, 1890, 1892 and 1893 yet the record over the whole period shows an enormous growth. In 1880 the state's mines raised 1,466,000 tons, a fall of 117,000 tons from the 1879 level, but before the next decrease occurred in 1886 annual production had reached 2,679,000 tons in the previous year. Thereafter production fluctuated as industrial disputes in 1888 and 1890 disrupted the industry. (See Table 26 and Figure 11).

During the life of the second Vend, from 1882 to 1893, the declared price of Northern District coal was not raised above 11s. Od. per ton and the average value of N.S.W. coal did not exceed the 9s. 6d. per ton achieved in 1883. Average value then gradually diminished until by 1893 it was 7s. 1½d. per ton and poised to drop again as the braking effect of the Vend was finally removed. (See Table 27 and Figure 11).

### Table 27: N.S.W. Output & Value of Coal 1880-1893
(Round Thousand Tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Average per ton to the nearest penny</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>s. d.</td>
<td>£</td>
</tr>
<tr>
<td>1880</td>
<td>1,466,480</td>
<td>8 6</td>
<td>615,337</td>
</tr>
<tr>
<td>1881</td>
<td>1,769,597</td>
<td>6 10</td>
<td>603,246</td>
</tr>
<tr>
<td>1882</td>
<td>2,109,282</td>
<td>9 0</td>
<td>946,965</td>
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<tr>
<td>1883</td>
<td>2,521,457</td>
<td>9 6</td>
<td>1,201,941</td>
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<tr>
<td>1884</td>
<td>2,749,109</td>
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<td>1,303,097</td>
</tr>
<tr>
<td>1885</td>
<td>2,878,963</td>
<td>9 4</td>
<td>1,340,212</td>
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<tr>
<td>1886</td>
<td>2,930,475</td>
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<tr>
<td>1887</td>
<td>3,023,444</td>
<td>9 1</td>
<td>1,455,198</td>
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<tr>
<td>1888</td>
<td>3,555,632</td>
<td>8 11</td>
<td>1,632,848</td>
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<tr>
<td>1889</td>
<td>5,060,876</td>
<td>8 4</td>
<td>1,279,068</td>
</tr>
<tr>
<td>1890</td>
<td>4,037,929</td>
<td>8 8</td>
<td>1,742,795</td>
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<td>1891</td>
<td>3,780,968</td>
<td>7 9</td>
<td>1,462,388</td>
</tr>
<tr>
<td>1892</td>
<td>3,278,328</td>
<td>7 2</td>
<td>1,171,722</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report for 1914.
FIGURE 11: N.S.W. OUTPUT AND AVERAGE VALUE OF COAL 1881-1893

Output

Price
The great increase in N.S.W. coal production between 1880 and 1885 was made possible by the growth of demand in all three markets, home, inter-colonial and foreign.

In the Australian markets railway consumption increased rapidly as new lines came into operation: there were 3,832 miles of government railway in 1881 but by 1891 this figure had grown to 8,541 miles. In New South Wales, train miles travelled by the Government railways rose from 3,239,462 in 1880 to 8,410,421 in 1890-91 but there was a decrease in the years 1886 and 1887 and another in 1891-92 and the 1890-91 level was not restored until 1898-99. (See Table 28).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MILES TRAVELLED</th>
<th>TRAIN MILES</th>
<th>LOGGED MILES</th>
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<tr>
<td>1880</td>
<td>3,239,462</td>
<td>1887-88</td>
<td>6,689,313</td>
</tr>
<tr>
<td>1881</td>
<td>3,923,929</td>
<td>1888-89</td>
<td>7,641,769</td>
</tr>
<tr>
<td>1882</td>
<td>4,851,157</td>
<td>1889-90</td>
<td>8,008,826</td>
</tr>
<tr>
<td>1883</td>
<td>5,937,261</td>
<td>1890-91</td>
<td>8,410,421</td>
</tr>
<tr>
<td>1884</td>
<td>6,403,041</td>
<td>1891-92</td>
<td>8,356,096</td>
</tr>
<tr>
<td>1885</td>
<td>6,638,399</td>
<td>1892-93</td>
<td>7,505,310</td>
</tr>
<tr>
<td>1886</td>
<td>6,479,265</td>
<td>1893-94</td>
<td>7,169,785</td>
</tr>
<tr>
<td>1887</td>
<td>6,472,107</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Railways and Tramways Annual Report for 1896.

Gas production also expanded greatly in this period and for the first time it is possible to quote the amount of gas actually produced in New South Wales though the coal consumed in this industry is not available. In 1880 there were only 12 gas works in the State but by 1886-87 there were 28 and in that year 1,051,618,000 cubic feet of gas were produced. By 1893 gas production amounted to 1,805,812,000 cubic feet.

The number of ships entering and leaving the Australian colonies in the period from 1881 to 1893 did not increase greatly but because of their increased size, total tonnage entering and leaving rose from 2,549,364 tons in 1881 to 4,726,307 tons in 1891.

The increasing importance of steamers on the Europe-Australia run evoked an alarmed comment from The Newcastle Morning Herald in 1893.

"The enormous cargo steamers at present tramping the ocean in any direction that a freight is to be obtained, are playing up with the sailing fleet of merchantmen to an extent that surprises all persons connected with maritime and commercial affairs. How far this class of vessels is likely to affect the trade of Newcastle is a matter that are long promises to
demand the most serious consideration of commercial men. For many years past very few vessels have arrived at this port from intercolonial ports when compared with the fleet that till recently came round to Newcastle for coal from the neighbouring colonies. This to a large extent is attributable to the introduction into the Australian trade of such huge carriers as the vessels of the Port, Lund's, White Star, P. and O., Orient, and other lines of steamers. The new steamer Southern Cross, which recently visited Newcastle, brought out from England a cargo of 7,300 tons of merchandise, equal to the cargoes of three or four ordinary-sized sailing vessels. Other steamers of her class are now making frequent voyages to the colonies. As a natural consequence the wind has been taken out of the sails of many of the sailing fleet heretofore solely engaged in this trade. A glance at the vessels listed to arrive in the various colonial ports from places beyond the colonies, will at once reveal a lamentable falling off in the number of sailing vessels, while that of steamers is on the increase. The enormous cargo carriers so far, with a few exceptions, have not sought coal cargoes at this port, and, therefore, Newcastle has been the sufferer by their introduction into the Australian trade up to the present time. 

The steamers may not have been carrying coal abroad, they were burning Australian coal and this market was to become increasingly important: figures are not available for the years before 1906 when bunker coal shipped on overseas vessels amounted to 1,182,305 tons.6

The slight reduction of 28,000 tons, in home consumption in 1886 was probably the result of reduced railway activity (see Table 28) as N.S.W. wool production dropped and there was a fall in the output of the state's factories. The non-appearance of the usual annual increment in home consumption, apart from the reduction, was probably the result of the recession in the Australian economy in 1886.7

The expansion of the N.S.W. market was resumed in 1887 and did not falter again until 1889. The reduction then was of only 12,000 tons and may have been the result of orders for other colonial coal placed during the 1888 strike.8 The 1890 drop may be attributed to the Maritime Strike and when industry returned to normal after its termination, N.S.W. coal consumption resumed its steady growth until 1893 when it decreased by 146,000 tons as the economy was gripped by severe depression in that year and railway consumption dropped.9 (See Table 28).

The Intercolonial trade expanded rapidly until 1885 when it hesitated before resuming its growth but it was to be severely checked in the strike years 1888 and 1890. (See Figure 12). This section of the market
contracted very sharply in 1892 as South Australia, in particular, and Victoria reduced their imports: though trade to New Zealand decreased by only 5,000 tons in 1892 and there were slight increases in exports to Tasmania and Queensland, total shipments to intercolonial ports fell by 193,000 tons.10

In the foreign trade the pattern was similar until 1885: stable growth to most of the important markets with Asian markets declining slightly in comparison with the North American markets and South America which emerged in the 1890's as the largest market for N.S.W. coal.11 There were small decreases in 1886 and 1887 which are unexplained, but fluctuations are to be expected in a trade so dependent upon the supply of shipping. The value of imports into New South Wales decreased by almost £1,900,000 in 1886 and by a further £2,289,000 in 1887 and there was a drop in the value of imports into the Australian Colonies as a whole.12 The reduced amount of shipping arriving in Australia in these years would have reduced the tonnage available for coal exports and may have increased the freight rates for such cargoes.

Exports to foreign ports did not decline in 1888 though there was a prolonged strike which stopped the major mines of the Northern District (see page 146) but in 1890 the more general Maritime Strike severely affected the foreign trade which fell from 1,091,000 tons in 1889 to 672,000 tons,13 Exports recovered in 1891 but declined again in 1892 and 1893. (See page 120, and figure 12).

For J. & A. Brown the years from 1880 to 1893 fall into three phases: a period of great financial loss and family disunity which almost destroyed the firm; a period of prosperity in which the management was reconstituted in the hands of John Brown and its finances restored and finally, a period of great expansion of output which lifted the firm to the premier position in the industry for the first time since 1868.

The suspension of the Vend in March 1880, the consequent fall in price and the long strike which closed the Associated Collieries (see page 146) made 1880 a dismal year in the Northern District. The foreign trade decreased by 121,000 tons, intercolonial markets took 65,000 tons less than in 1879 and only increased N.S.W. consumption cushioned the impact of these losses of trade.14 For J. & A. Brown, 1880 brought a fall in output of 41,000 tons when the average value of all N.S.W. coal dropped from 12s. 0,12d. to 8s. 6,36d.15

### Table 29: Exports from the Port of Newcastle 1878-81

<table>
<thead>
<tr>
<th>Year</th>
<th>Australasian</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1878</td>
<td>588</td>
<td>284</td>
<td>872</td>
</tr>
<tr>
<td>1879</td>
<td>587</td>
<td>273</td>
<td>860</td>
</tr>
<tr>
<td>1880</td>
<td>522</td>
<td>152</td>
<td>673</td>
</tr>
<tr>
<td>1881</td>
<td>636</td>
<td>263</td>
<td>899</td>
</tr>
</tbody>
</table>

Source: Annual Reports 1879, 1880 and 1881.
In 1879 the mines of the Newcastle district had worked an average of just over five and three quarter days per pay period of eleven days to produce 1,196,000 tons. Although it is unlikely that the production level attained over short periods of activity could be maintained continuously over a year these figures suggest the existence of considerable excess capacity and the Editor of The Newcastle Morning Herald calculated that the mines of the North would have produced over two million tons in 1879 working on a ten day a pay basis. Output per underground worker in the Northern District in 1879 was 348 tons, in 1880 it was 342 tons but by 1882 it had risen, without any important change in technology, to 554 tons.

During the prosperous Vend years the Newcastle colliery proprietors had expanded their capacity to produce until by 1880 their capital costs had risen, their maintenance costs were increased and the Associated Collieries found that those who were not bound by the Vend regulations were capturing their trade. As "A Newcastle Miner" put it:

"with their enormous profits they set to work and opened out their works, put on men, fixed some of the finest plant under the sun for raising coal, bought rolling stock until nearly every colliery in the trade sent into Newcastle over 1,000 tons per day - and some of them can nearly double this quantity - in fact some of the collieries did not seem satisfied until they were in a position to supply all the trade of the port."

The high price of coal under the Vend and the great profits earned had produced the competition which Waratah had forecast in 1873 but that competition had not come from new collieries in the North: it had come from the South, the West, from New Zealand, from England and from within and without the ranks of the Associated Collieries in the Newcastle District.

With this great capacity at their command the Northern proprietors embarked on a struggle for trade which the Associated Proprietors intended should not end until all the principal producers in the district agreed to sign a new Vend Agreement.

In 1881, N.S.W. output of coal increased to 1,770,000 tons: and under conditions of competition the Northern Collieries were able to capture the great part of increased sales. At the individual colliery level the A. A. Company and the Newcastle-Wallsend Company emerged triumphantly from the struggle for trade by producing, for the first time in the history of the industry, more than 300,000 tons each in 1881. J. & A. Brown increased their output to 143,000 tons and the other producers recorded substantial increases at the expense of the two collieries which had been outside the Vend: the yearly output of the Lambton Company fell by 105,000 tons and New Lambton decreased by 52,000 tons.
In this situation the proprietors found Lambton ready to join the Vend but Wallsend, enjoying its best year and practically monopolising the San Francisco trade, to the chagrin of its rivals, was not as ready to co-operate. Browns tried to arrange an increase in the price of coal to 1s. Od. per ton but the Superintendent of the A. A. Company refused: he desired the low prices to continue until all the producers realized the need for a combination to raise the price and professed himself to be content in the meantime to build up his trade and to accept a small profit. Of course the greater a colliery's sales during the interlude between the Vends the stronger that colliery's claim for a large quota in the new system of allocations.

C. F. Stokes, Lloyd's Agent in Newcastle, conducted the negotiations for the new Vend which was constituted at a meeting of proprietors on 22nd November, 1881. The principles of the "Vend" were similar to those of the 1873 agreement, namely, the sharing of anticipated trade according to agreed percentages, penalties for overselling, compensation for underselling, and arrangement price regulation. A new arrangement provided for quarterly readjustments of the allocations in accordance with the state of the trade. The price of coal was to be 10s. Od. in 1882. It was raised to 11s. Od. in 1883. The new agreement included all the major producers in the North but the final acceptance of quotas was not achieved until J. & A. Brown and the Co-operative Company agreed to reduce their quotas to allow the A. A. Company the 230,000 tons it was demanding. Browns were to have 13% of a total estimated Vend of 1,100,000 tons for 1882.

<table>
<thead>
<tr>
<th>TABLE 30: OUTPUT OF J. &amp; A. BROWNS' MINMI COLLIERTIES 1880-1896</th>
<th>1880</th>
<th>1881</th>
<th>1882</th>
<th>1883</th>
<th>1884</th>
<th>1885</th>
<th>1886</th>
<th>1887</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>72</td>
<td>143</td>
<td>181</td>
<td>163</td>
<td>168</td>
<td>216</td>
<td>228</td>
<td>155</td>
</tr>
<tr>
<td>Increase</td>
<td>71</td>
<td>38</td>
<td>5</td>
<td>48</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1888</th>
<th>1889</th>
<th>1890</th>
<th>1891</th>
<th>1892</th>
<th>1893</th>
<th>1894</th>
<th>1895</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>157</td>
<td>213</td>
<td>147</td>
<td>288</td>
<td>307</td>
<td>246</td>
<td>303</td>
</tr>
<tr>
<td>Increase</td>
<td>2</td>
<td>56</td>
<td>141</td>
<td>19</td>
<td>39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>66</td>
<td></td>
<td></td>
<td></td>
<td>43</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Reports for all but 1890 which was obtained from the Vend return for 1890.
During the first four years of the Vend Agreement the Association appears to have functioned very smoothly with an absence of complaint about underselling and no serious disputes between the proprietors. 28

However, as in the case of the first Vend, but in a different fashion, the agreement contained the seeds of its own destruction for the prosperity of the industry produced the reaction which had been predicted but which had not materialized in the North in the 1870’s: several new collieries were opened up and developed on a large scale. The Vend collieries produced 94% of Northern output in 1882, 86% in 1883, 90% in 1884 and 87% in 1885 but in 1886, owing to the opening of new collieries the percentage fell to 76%. 29

Stockton Colliery was commenced in 1883, sank to the seam in 1884/1885, produced 10,600 tons in 1885 and 84,459 tons in 1886. Wickham and Bullock Island Colliery first appeared in the Annual Report of the Mines Department in 1883 but was not a significant producer until 1886 when it raised 56,000 tons. Burwood, the other important newcomer produced 25,000 tons in 1885 and 73,000 tons in 1886. 30 When these three collieries joined the Association in 1887 the Vend’s share of the Northern output for the 1887 recovered to 88% but Wickham and Bullock Island Coal Company did not
fare well in 1887 and retired from the Association to be replaced by The Hetton Coal Company in 1888.31

The three new collieries were close to the point of shipment. Stockton, Hetton, Wickham and Bullock Island were delta collieries and situated on the foreshores of the port of Newcastle and Stockton, in particular, sank to a very thick seam of excellent quality gas coal.32

During 1888 there were signs that the Vend was threatened once more. The average per ton value of New South Wales coal had continued to fall since 1883 when it was 9s. 6d., and in January 1888 The Newcastle Morning Herald, describing the state of the coal industry as more depressed than any year since 1880, warned the proprietors, especially the new ones, that price reductions could not improve the position and as was usual on such occasions, reminded its readers of the poverty-stricken period from 1865 to 1871.33

Price reductions had been occurring since 1883 unless the slowly declining average value of N.S.W. coal was due to the increased sale of small coal,34 (See Figure 11). It is not clear, however, whether these reductions were occurring in the Northern District or in the Southern or Western Districts.

Price reductions by one colliery had the effect of transferring trade in the short term but it is doubtful if such reductions could increase total trade except to foreign ports and even there they would have had a long-term effect.

In February 1888 an attempt was made at a meeting of the Association, to declare that shipments on colliery account or on joint account, to foreign markets were inconsistent with the Vend agreement but there was no support for the proposal.35 At this stage Wickham and Bullock Island retired from the Association.36 In April the proprietors met in Sydney to consider the problem of undercutting and discussed the possibility of introducing a scale of prices to allow for the various grades of coal and a plan to amalgamate all the collieries.37

Stockton Coal Company announced its intention to withdraw at the August meeting of the Association: it had produced 150,000 tons in 1887 and faced with such a serious threat the proprietors impressively demonstrated their support for the Vend. They unanimously declared that their reaction to Stockton's withdrawal would be to reduce the price of coal to 8s. 6d., and to maintain wages at the existing pre-reduction level. Stockton then withdrew its notice of resignation.38
In the early years of the new Vend agreement, the Northern Industry had enjoyed two years, 1882 and 1883 when output expanded rapidly at the rate of 19% and 19.5% per annum respectively: in this period no new collieries came into production. In the years 1884, 1885, 1886 and 1887 Northern production grew steadily but much more slowly and it was in this period that the new collieries, Stockton, Burwood and Wickham and Bullock Island were opened out. When these collieries produced 212,578 tons in 1886, total Northern output grew by only 65,000 tons. When the same three produced 311,315 tons in 1887, total Northern output increased by only 66,000 tons and then came the year 1888 when the Northern trade was depressed in the early part of the year and a strike caused a further set back to production so that output fell by 177,000 tons and another new colliery, Hetton, produced 22,287 tons. It was in these circumstances that the Association began to show the signs of strain.

During the general strike of 1888 (See page 140) the Stockton Coal Company withdrew from the Association in order to obtain the Melbourne Metropolitan Gas Company Contract for 1889. There were 100,000 tons of shipping lying in the harbour at this time and Stockton re-opened its mine on a two shift basis. Its actions provoked the A. A. Company Superintendent who later described its defection as having had a more permanent affect, as well as being of a more treacherous character than anything which had occurred previously.

The Association survived the trials of 1888 but it continued to weaken and by 1889 its member collieries produced only 70% of the total Northern output: by 1891 the figure was 52%. The best measure of its efficiency was its ability to maintain price but the average value of N.S.W. coal per ton continued to fall, apart from a slight improvement during 1891, a year of record trade, until it reached 7s. 2d. in 1893. (See Figure 11).

The Vend records indicate that during the period of their membership, 1882 to 1890, J. & A. Brown sold 1,696,998 tons of coal. This total was 89,499 tons less than Browns were permitted to sell without incurring the penalty of paying a proportion of their profits to the funds of the Association. In compensation for having sold less than their allocation Browns received £12,750.14.5. more from the Association than they paid into it: an average return for each ton unsold of 2s. 10.19d. Browns' sold less than their quota in 1882, 1883, 1885, 1887, 1888 and 1890. In 1884, 1886 and 1889 they oversold by small amounts namely, 13,539 tons in 1884, 463 tons in 1886, and 15,114 tons in 1889. (See Figure 14). Such a record suggests that Browns chose to undersell rather than oversell: it is difficult to accept that in competition in all but price, Browns came so close over a period of nine years to their Vend allocation.
FIGURE 14: J. & A. BROWNE'S OUTPUT BY QUARTER 1882-1890
The regularity of Browns' quarterly Vend in 1882 in a year of expanding trade, indicates a determination not to exceed their allocation and having undersold during 1882 by 21,561 tons, Browns proceeded to double their loss of trade in 1883, in another year of expanding demand. (See Figure 1). The firm's policy appears to have been to undersell and to receive compensation of 3s. Od. per ton while leaving its coal in the mine. It can only be assumed that 3s. Od. per ton exceeded Browns' profit on their own coal or so nearly exceeded it that they preferred to retain their coal, avoid the wear and tear on their plant and accept 3s. Od. per ton from the Association. It may also be inferred that the amount of 3s. Od. per ton paid by Browns in penalty for overselling, generally exceeded their return on such coal.\(^{45}\)

This policy, if carried to extreme, would have led to the closing of the colliery and the acceptance of compensation from the Association for the total amount of the Vend but the rules of the Vend precluded this. Compensation was paid only on up to one fifth of the allocation for the year and the quotas of underselling collieries were reduced by one third of the amount undersold of the vend allocation for the ensuing year.\(^{46}\)

In 1883 J. & A. Brown undersold by more than one fifth of its allocation of 206,442 tons; they were compensated on 41,309 tons but had undersold by 42,067 tons and thus lost compensation on 778 tons. They did not allow this to occur again until 1890, their last year in the vend, a year in which the Maritime Strike deprived them of control over their overseas trade.\(^ {47}\)

The policy of underselling in the early years of the agreement invoked the clause reducing Browns' percentage allocation for succeeding years so that their 13% in 1882 fell to 11.7% in 1884, increased to 12.03% in 1885 and then dropped continuously until 1890 when it was 10.15%; it would have been 9.34% had Browns remained in the association in 1891.\(^ {48}\) This percentage loss was due to other collieries entering the association as well as to the reductions imposed for underselling.

If Browns's policy was to undersell rather than to exceed their vend their failure to do so in 1884, 1886 and 1889 must be explained. Though quarterly returns were the practice from 1882 it was still difficult to calculate what the final sales of all the Associated collieries would be and it was this aggregate which determined the final allocation of the producer for the year. At the conclusion of the months March, June and September it was possible to make predictions of one's vend on the basis of additional but still incomplete information but a better than usual or a worse than usual final quarter's trade could still upset the predictions. For example in 1889 the final quarter's trade proved to be considerably better for Browns than the third quarter had been: this also happened in 1885 and in 1890 but in both years strikes had upset the normal pattern of trade. (See Figure 14).
There are other possible explanations of the overselling in 1884 and 1889: perhaps the desire to fill an order from a potentially good client, the obligation to fulfill a contract, miscalculation in one of the branches of the firm. Any of these could account for excesses of the magnitude of Brown's: they do not alter the pattern of underselling which Brown's pursued in the period from 1882 to 1890.

The Lambton, Co-operative, New Lambton, Ferndale and Burwood Companies also undersold by large amounts during the period 1882-1893 suggesting that there were others whose position was similar to Brown's. On the other hand the Wallsend Company, in particular, and the A. A. Company pursued the opposite policy, seeking excess sales for much of, if not all of this period. Partly in consequence of this, these two companies dominate the Newcastle scene during the second Vend; up to the end of 1894 the Wallsend Company had sold 4,905,000 tons and the A. A. Company sold, in the same period 3,872,000 tons.

In commenting on the record of the Vend collieries for the period 1882 to 1893, inclusive, the secretary of the associated collieries wrote:

"the first thing that strikes one ... is the large amount of money which has passed between the several members as compensation for deficient trade and which is indicative of the value attached to the influence of the Association in maintaining the price of coals."  

He went on to marvel at the payment of £20,000 to two collieries of small capacity, Ferndale and New Lambton

"whose power to assist the Association or whose hostility were alike of little account. Having been pensioners continuously from the first they can be credited with exemplary loyalty as members - which is something."  

The Half Yearly Balances of the Newcastle Branch of the Union Bank from August 1882 to February 1884 contain some references to Brown's financial position in the early years of the second "Vend." They reveal that the overdraft of J. & A. Brown amounted to £15,625.4.1. in August 1882. The position of the firm was unchanged in February 1883 but by August 1883 the situation had altered radically: the bank had advanced £43,659.12.3.  

This sudden deterioration of Brown's finances in a period of steady trade at a much improved price, was attributed to the management of Alex Brown who left J. & A. Brown between February and August 1883 and set up as an independent coal agent and colliery proprietor.
Following the death of Alexander Brown, the firm was managed by Alex Brown and John Brown, (see page 69 for relationship to James and Alexander and Appendix II). They were not partners in the business but were each owners of one-twelfth of the firm and were trustees of another four-twelfths of it on behalf of John's younger brothers, Alick, William, James and Stephen. James Brown retained the other half of J. & A. Brown.

Under the will of Alexander, Alex Brown inherited his half share in the New Lambton Colliery, presumably to compensate him for the fact that he would not inherit James' property with his sons, but by an agreement between Alex and James, Alex agreed to add his half share of New Lambton to the assets of J. & A. Brown and in return James Brown promised to treat him as one of his sons in his will.54

Alex had no power to enter into such an agreement for his inheritance of New Lambton was subject to a first charge of £5,000 to be used to provide legacies for the female members of the Brown family and others: they should in law have received the first £5,000 earned in profits plus 6% interest for the period of their waiting. Alex, a solicitor, ignored his responsibilities in this matter and furthermore, committed an even more gross breach of trust when he and John failed to set aside the income which should have accrued to the younger sons of James.55

All the profits of the firm, estimated to be £50,000 between 1877 and 1883, had been regarded by the senior trustee, Alex, as being the capital of J. & A. Brown and were expended as such on the purchase of new ships and in other ventures.

In 1883 it was discovered that Alex Brown had seriously mismanaged the business and had incurred liabilities exceeding £50,000. Some of his cousins then threatened legal proceedings against him and James Brown sought legal advice on the situation.56 Legal opinion was that Alex Brown had acted illegally in relation to his trusteeship of the property of his underage cousins, as had John Brown, his co-trustee. Alex Brown had also ignored the conditions limiting his inheritance of the New Lambton Colliery, and both Alex and John were personally liable for the shares of profit of the other legatees under the will of Alexander. Had legal proceedings been instituted against Alex Brown the Equity Court would have taken the equivalent of these profits from J. & A. Brown and even if the profits so reinvested had been lost the trustees would still be liable.

The advice of the lawyer concluded:

"The fact is that all parties have acted in entire ignorance or in total disregard of the terms of the will and an amount of complication has arisen out of which I can see no possible road short of winding up the whole concern. All the income from
the testator’s (Alexander Brown) share in the New Lambton and in the Minmi Mines has been poured into the business and mixed up in its affairs in place of being kept entirely distinct and in their own proper channels respectively."

The trustees had no right to become shipowners or to enter any new field of business and

"the sons of James Brown now have the right to call the trustees to account of their conduct in this matter and have a right to have the new business stopped and the vessels sold, and the trustees would be liable for all losses incurred in consequence of their wrongfully extending the business." 57

As it was probable that court proceedings against Alex would have led to the appointment of a receiver to control and possibly sell J. & A. Brown, James and John arranged a settlement. John and Alick purchased the interest of their cousin Alex in the firm for £25,000 and James Brown agreed to hand over his half share to John and Alexander to administer for themselves and their brothers. These arrangements were made final by deeds of 19th July, 1886 when Alick replaced Alex as trustee. Alex retained the half share in the New Lambton Colliery which was thus finally removed from J. & A. Brown. 58

One of the provisions of the agreement between James Brown and his sons John and Alick, appears to have limited control of the firm to them. This was to be a source of continual dispute between John Brown and other members of the family. 59 (See pages 274-5). These changes brought John to power in the firm but a challenge to his leadership was quick to appear: In March 1887 Alick tried to assert his right to a controlling voice in policy-making but John Brown refused to continue in the management of J. & A. Brown, arranged for a bank advance of £10,000 and left Newcastle for Adelaide. Later Alick agreed not to interfere again and John again took over the management: Alick became manager of the Sydney office of the firm. 60

There appears to be no certain indication of the activities of Alex which brought Browns into debt to the probable extent of £50,000 although he did provide financial support to those who developed Ferndale colliery and when it later fell into his hands he sold it. 61 Alex had the full confidence of James and John Brown when he left for a trip to England, probably in 1882, but upon his return in 1883 James refused to see Alex and dismissed him from the position of Commercial manager of J. & A. Brown. 62
In September 1884, James Brown brought an action against James Fletcher, in the N.S.W. Supreme Court, to recover £4,795.14.3., the amount of two promissory notes made by Fletcher to J. & A. Brown. The Court proceedings reveal the nature of the relationship between Alex and his cousin and uncle, John and James, and as its destruction had a decisive influence on John Brown and the future of the firm, it will be discussed in detail.

Alex had been employed as a confidential clerk before the death of Alexander. He then became commercial manager and his salary was raised from £500 to £1,000 per annum. At the same time, John Brown's salary was increased from £200 to £400 per annum. Alex had enjoyed the confidence of his uncle and cousin that he had been allowed to overdraw his account "to the extent of several thousands of pounds." 64

As commercial manager, trustee, member of family and solicitor, he was entrusted with all legal aspects of the business and John Brown was in the habit of signing legal documents prepared by Alex without reading them. Some of these were later used by Alex in court as evidence of his partnership in the firm though the Supreme Court found on two occasions that he was not a partner and that the partnership had ceased to exist on the death of Alexander. 65

As commercial manager Alex Brown had arranged, presumably in the period between March 1880 and December 1881, to financially support James Fletcher, who was the editor of The Newcastle Morning Herald and was then or had been the manager of the Co-operative Colliery, when the paper was in difficulties. In appreciation of his paper's successful advocacy of the Vend, Alex had advanced Fletcher £4,795.14.3. of the money of the firm but had arranged for him to provide promissory notes to that amount though assuring him that he would not be called on to repay the money. 66

After Alex and James disagreed, James sued Fletcher for the money and the Court found for James and ordered Fletcher to repay £3,500. Fletcher informed the court that he had not personally benefited from the money and endeavoured to prove that Alex Brown, as a partner in the firm had the power to absolve him of the debt. 67

Alex Brown's speculations had involved J. & A. Brown in debts amounting to about £50,000 and after he had sold his share in the firm to John and Alick for £25,000 in August 1883, its debts were about £75,000. The speed with which the firm recovered is indicative of the prosperity of the industry in the 1880's.

The Union Bank whose manager reported in February 1884 that Browns had reduced their overdraft in the previous six months "and had it not been for exceptional circumstances which arose in connection with speculations entered into during the former
management, a very much larger reduction would have been accomplished. Extraordinary payments have had to be made within the last six or eight months amounting to £17,000 or £18,000 including £5,000 as part payment to Alex Brown... 69

By 19th July, 1886 Alex had received his £25,000, though some property may have been sold to obtain part or all of this. 70

The Half Yearly Balances of the Union Bank record that between August 1885 and February 1884 Browns' overdraft was reduced by £5,000 and the bank manager estimated that with coal priced at 1s. 6d. the Collieries alone were earning at least £25,000 per annum. The August 1884 Balance revealed that Browns had reduced their indebtedness to the bank by a further £9,000 during the previous six months when the manager described the firm as doing a large and increasing and profitable business. 71 In discussion with the Bank's representative early in 1885 John Brown informed him that "previous profits" amounted to £30,000 and that he expected to wipe out the overdraft by December of 1885; the overdraft then stood at £43,067.0.8. and Browns had lowered it by £12,600 between August 1884 and February 1885. The Bank Balances have not survived beyond this point but an unsigned memo discovered in the firm's legal papers asserts that Browns were out of debt by the end of 1886. 72

There is no direct evidence relating to Browns' finances in the period February 1885 to December 1890 when the firm withdrew from the "Vend."
There is ample indirect evidence in the records of rival Northern coal producers.

| TABLE 31: THE COST OF PRODUCTION, PRICE AND PROFIT OF A. A. COMPANY COAL 1880-1892 |
|-----------------|-----------------|-----------------|
| Year | Cost per ton | Price | Profit |
| 1880 | 8 s. 8 d. | 9 s. 2 d. | 0 s. 6 d. |
| 1881 | 6 s. 5 d. | 7 s. 2 d. | 0 s. 8 d. |
| 1882 | 7 s. 7 d. | 8 s. 3 d. | 0 s. 8 d. |
| 1883 | 6 s. 7 d. | 9 s. 6 d. | 3 s. 1 d. |
| 1884 | 6 s. 10 d. | 9 s. 6 d. | 2 s. 6 d. |
| 1885 | 7 s. 0 d. | 9 s. 6 d. | 2 s. 6 d. |
| 1886 | 7 s. 1 d. | 9 s. 6 d. | 2 s. 5 d. |
| 1887 | 6 s. 9 d. | 9 s. 5 d. | 2 s. 8 d. |
| 1888 | 7 s. 1 d. | 9 s. 6 d. | 2 s. 6 d. |
| 1889 | 7 s. 11 d. | 9 s. 3 d. | 1 s. 1 d. |
| 1890 | 7 s. 10 d. | 9 s. 2 d. | 1 s. 4 d. |
| 1891 | 6 s. 10 d. | 9 s. 1 d. | 2 s. 2 d. |
| 1892 | 6 s. 0 d. | 8 s. 1 d. | 2 s. 1 d. |

A. A. Company prices, which are the average of round and small coal prices, show the same gradual trend downward as the N.S.W. statistics indicate but did not drop below 9s. Od. until 1892. The tendency of A. A. Costs, apart from the abnormal years following the disaster, towards stability at about 7s. Od. during the second half of the decade allowed this company to make a profit of between 2s. 5.02d. per ton and 2s. 6.13d. per ton in the period 1884-1888. Though it is impossible to make close comparisons between collieries, such as Browns and the A. A. Company, it is possible to say, assuming there were no serious changes in the physical conditions of the Minmi mines which could radically alter the cost of production, and there is nothing in the Mines Department Annual Reports or the newspapers, to indicate such a development, that Browns operated profitably in the period 1885-1889. The very fact that Browns continued to work the mines regularly demonstrates this: what is not known is the degree of profitability of their collieries.

With the firm out of debt and operating successfully under the Vend, John Brown departed in 1886 for England where he was to remain as manager of the London office of J. & A. Brown until 1893: this was a significant move in view of the policy of the firm which came to depend to a considerable extent upon the chartering of vessels from London for its overseas trade in coal.

The General Strike of 1888 then intervened, disrupting the overseas trade of the Northern district and Browns' production for the year fell to 157,000 tons. During 1889 sales of Minmi coal recovered to 209,000 tons, about the same level as in the period 1884 to 1887 and 15,114 tons over their Vend allotment. Unfortunately there is no means of discovering the destination of Browns' coal in this crucial year.

The year 1890 proved to be decisive for Browns and the trade situation in this year warrants close examination. Exports from Newcastle dropped from the 1889 total of 860,000 tons to 545,000 tons in 1890 and the Australasian trade dropped from 1,231,000 tons in 1889 to 1,083,000 tons.

| TABLE 32: NORTHERN DISTRICT OUTPUT BY DESTINATION 1889-1891 (Round thousand tons) |
|-----------------------------------------|--------|--------|--------|
| Australasian Ports                     | 1,231  | 1,083  | 1,397  |
| Foreign Ports                           | 860    | 545    | 847    |
| N.S.W. Consumption                     | 532    | 492    | 608    |
| Northern Total Raised                   | 2,624  | 2,120  | 2,853  |

Source: Annual Reports 1889, 1890 and 1891. (Apparent errors in addition due to rounding).

Table 32 reveals that the N.S.W. consumption fell by only 40,000 tons in a year in which the Maritime Strike closed the mines and the wharves and ships
were operated on a restricted basis between 17th August and the middle of November and when the economic life of the eastern states was severely affected. This strike can be accepted as being responsible for the loss of consumption in the home state but it does not appear to be sufficient to explain the loss of that regular annual increment which had come to be expected after three decades of general economic expansion.

The possibility of the economic depression of the 1890's being partly responsible for this poor year must be considered. R. G. Butlin concludes that from 1889

"most current indicators of economic activity suggest the onset of a severe depression. Moreover, the exceptional real peak of 1891 appears to have been due to time lag effects of the Maritime Strike which had little long run bearing on the continuation of expansion." 

This passage suggests that in 1890 the economic climate may already have been discouraging that type of investment which resulted in increased coal consumption. The strike itself would also have had depressing affects on the economy.

The almost universal drop in shipments to foreign ports suggests either a dramatic reduction of demand in foreign ports, and this would be unlikely in such a range of ports and would be difficult to accept in view of the revival of the foreign trade in 1891, or an interruption to the transportation of coal to these ports. The Maritime Strike provided such an interruption. Many ships would wait for coal and eventually sail representing, not a loss of trade but a delay in trade which merely altered the pattern of activity in the industry as a relatively busy September, October was exchanged for a comparatively idle November, December. However many ships would not enter the harbour and some, having done so, would leave without coal and their trade would be lost. There is also the possibility that stoppages such as that of 1890 could permanently deter shipowners from the coal trade but this would not be effective during 1890. It is a doubtful proposition anyway though widely expressed by coal owners and agents; certainly a looming industrial dispute could deter coal orders but normally the trade would not be affected. Strikes did have the more serious affect of encouraging the development of alternative sources of supply as John Brown frequently proclaimed in the 1890's.

An examination of the quarterly trade of the Associated Collieries for the year 1890 indicates that in the period January to March the proprietors sold less than in the same period of the previous year by 117,000 tons though the 1889 figure was probably high because shipping was forced to remain in port by the 1888 strike.
The dullness in the coal trade in this first quarter of 1890 fell most heavily on Browns, who produced only 18,922 tons among the Associated Collieries, indicating the fall in demand was mainly in the foreign trade. The Wallsend and Blaydon Sun of 8th February, 1890 described the collieries generally as working "very poorly" with the Minmi miners "taking home about a day's wage for the pay." Wallsend had worked four days and the Co-operative five and three quarter days but there had been no work at three of the collieries outside the association. The paper described Newcastle Harbour as bare of shipping and suggested that nearly all the collieries had orders for coal in hand but could not fill them owing to the lack of ships. It was not until March 22nd that the paper reported a good pay for Browns' miners and in June it again remarked on the lack of work at the Minmi mines.

In the second quarter of 1890 Browns sold 42,537 tons, only 3,000 tons below their vend quota but their dissatisfaction with the state of their trade continued and they tried to persuade the Associated Proprietors to reduce prices in order to force their competitors into the vend: either their problems were not connected with a shipping shortage and they attributed them to competition from Northern producers who were outside the Association or their difficulties were external to Newcastle and they were acting irrationally in making this move.

The Associated Collieries representatives discussed Browns' request to lower the price from 11s. Od. to 9s. Od. at their meetings on 10th June and 24th June, 1890, but they obtained no support. It was rumoured that one or two firms would leave the Association over this refusal.

By this time there were eleven members of the Associated Collieries and, including new collieries about to come into production, there were about thirty outside the Association. The rash of new collieries in the mid 1880's had not deterred developers and by the middle of 1890 The Newcastle Morning Herald calculated that there were twenty mines, some of them very large, in the course of development.

Before 30th September, 1890, Browns and several other firms gave notice of their intention to withdraw from the Association: for all but J. & A. Brown this was the normal prelude to the negotiation of a new agreement.
but when the negotiations ended successfully in November, Browns did not sign the agreement. 66

Jesse Gregson, Superintendent of the A. A. Company commented:

"I regret their decision for they have always been loyal associates, and I would rather have them within the Association. Their secession, although not caused by any disagreement beyond what arises from the disinclination of a majority of the rest of the Board to reduce the price of coal will weaken the Association and is likely to lower the price of coal." 67

The decision to withdraw from the Association was momentous for Browns who were on the eve of a rapid period of expansion which was undoubtedly made possible by their having left the Vend. Between 1872 and 1890 they had experienced long years of prosperity as members of the Association. In 1891, 1892 and 1893 they were to savour the advantage which Lambton had for so long enjoyed in the 1870's: the opportunity to expand output by slight reductions below the declared price of coal while the Associated Proprietors maintained the latter and lost trade to their non-associated rivals.

Having given notice of their intention to withdraw from the Association and having refrained from becoming a party to the new agreement, Browns attacked the Melbourne market and immediately won the Harbour Commissioners' Contract by undercutting their Vend rivals. Their tender provided for the delivery of their coal at 14s. 10d. per ton. With coal selling in Newcastle at 11s. 6d. they were in effect carrying the coal to Melbourne for 3s. 6d. per ton. 68 Browns were using their own steamer in this venture and were building another: they expressed their intention of obtaining a share of the intercolonial trade at any cost. For some reason the Victorian markets seem to have eluded Browns and they were to fail on this occasion also for they engaged in another fierce struggle for the same prize early in the 20th Century. 69

Browns' output rose in 1891 to 288,000 tons when total Northern output reached 2,655,000 tons, an increase of 753,000 tons over 1890. More impressively, the Mimmi Collieries yielded 307,000 tons in 1892 when total Northern output fell 242,000 tons to 2,612,000 tons. During 1893 when Northern output fell by a further 408,000 tons Browns increased their production to 346,000 tons and became the largest producer in N.S.W. for the first time since 1868. 90 (See Table 12). How these increased sales were achieved is not clear for the records of the firm have not survived for this period.

1892 and 1893 were the only years, apart from 1890, during the decade of the 1890's when the Newcastle foreign trade declined. In 1891 and 1894
coal going to foreign ports almost reached the 1889 peak of 860,000 tons, and then increased steadily for the rest of the century. The New South Wales foreign trade figures differ slightly from those of the North, with the 1889 peak not being exceeded until 1896. The explanation for this delay appears to be a loss of foreign trade from the port of Sydney as the declining Northern prices attracted more trade to Newcastle. Nevertheless, the decade does not justify K. Burley's comment:

"Generally speaking the total tonnage entered shows a consistent rise each year. A notable exception is the 1890 decade when shipping and, as a consequence, the overseas coal trade, were depressed." Shipping may have been depressed but the Northern District export trade had recovered to about the level of the previous post-strike year peak by 1894 and rose continuously thereafter and New South Wales shipments to foreign ports recovered to exceed its previous peak in 1896 and did not again drop below this figure.

Browns' performance in increasing its sales during 1891, 1892 and 1893, while total Northern trade fell may have been due to their success in temporarily capturing a share of the Victorian market. It could have been due to their sales in foreign markets. Certainly their attention was focussed on this sphere of marketing if John Brown's claims, made upon his return to Newcastle in June 1893 were accurate. He told The Newcastle Morning Herald that he had left the district before the 1888 strike and had since then travelled half way round the world observing marketing conditions and selling coal. He described the world wide depression and explained that

"in America, the country of progress and the home of a race renowned for their energy and foresight, he found that business was everywhere quiet and a cloud of depression loomed black over the whole continent." When asked for his explanation of the causes of the depression

"Mr. Brown said that in his opinion it was to be attributed to three things, namely, the silver question, the over production of many products throughout the world, and the want of confidence and alarm created by conflicts between labour and capital." John Brown told the reporter that while he was away he had taken every opportunity to develop the trade of Newcastle and had arranged for the establishment of a direct line of ships between New York, Sydney and Newcastle, a direct line of ships between Liverpool and Newcastle and a direct line of ships between Antwerp and Newcastle had been arranged and would soon be established.
He had then:

"turned his attention to the question of freights with a view to having Newcastle placed on the same footing with Sydney. He found that the rule was to charge 5s. Od. per ton more to Newcastle, and, in conjunction with Mr. Levy of the firm of Messrs. D. Cohen and Company he succeeded in having the difference reduced to 2s. 6d.," and subsequently to the same freight as to Sydney. This had been very beneficial to Newcastle importers.

John Brown claimed that the 1890 strike had done great damage to the business of the port of Newcastle and had had the effect of opening up coal fields elsewhere and of stimulating the development of existing mines so that the miners had only themselves to blame for the existing depression. He commented: "Strikes have always been and I fear always will be, the curse of Newcastle ..." His argument may have been sound, but it is difficult to establish and it is hard to explain the good year 1891 if one accepts Brown's view of the effects of the 1890 strike unless in terms of the strike producing a determination to develop other sources of supply which were not ready by 1891.

It was John Brown's expressed view on this occasion that the high sales of some years previously to India, China and the East generally, were all gone because of the strikes which caused interruptions to the trade and caused Asian customers to look elsewhere. Hence the Japanese coal fields had been opened and by 1893 supplied the whole of the East and were threatening the N.S.W. trade to American ports.

He alleged that the North Coast of California mines "would never have been heard of had our coal been poured into San Francisco steadily ..." In Vancouver the last strike had allowed the collieries to forge ahead and

"to outlive, as it were, the prejudice against their coal. Even in Chile and Peru the intermittent supplies from Australia caused the people to look about them and coal has recently been found and is being worked."

The Victorian and New Zealand coal field developments, Brown attributed to the same cause and he concluded by suggesting that there would have to be
reductions of price and wage rates.101

"Reductions all round must come, and the sooner we realize it the better. It would, of course, be a good thing if wages could be kept up and the selling price allowed to remain at 10s. Od., but under present conditions it is impossible. I can assure you that at the present rates Newcastle cannot compete. We are slowly but surely losing our trade and the reasons are perfectly obvious. In the coast mines of California wages are very low and Chinamen are employed in hundreds. In Japan labour is ridiculously cheap and in England the hewing rates are not more than half those ruling in this district."102

John Brown went on to claim that the chief reason for reductions was the low level of wages at the Southern and Western mines which he were paying 1s. 10d. to 2s. Od. in the South and less in the West while Northern coal owners paid 3s. 10d. per ton until 1892 and then 4s. 2d. per ton and consequently the Southern Collieries were winning the North's intercolonial trade and were even cutting into the foreign trade by increasing shipments from Darling Harbour, to California and other places. He suggested that with very few mines paying dividends it was unlikely that prices could fall unless wages were also reduced.

Mr. Brown told the reporter that he would probably return to London to manage that end of the firm's business and it was reported that it was due "to his efforts that the rapid development of the now enormous foreign trade may be traced."103

There is an indication of the profits being made by Browns in this period in the information provided by William Brown in 1892 when seeking legal advice regarding his status in the firm. It was the practice of the firm to draw up annual profit and loss accounts and balance sheets and John had shown them to William who recalled that the average annual profit was more than £20,000 during the previous two years when the firm's estimate of its capital was between £400,000 and £500,000.104 As the tugs and agency businesses were operating profitably in this period, the average profit on the 307,000 tons of coal, raised by Browns in 1892 must have been considerably less than 1s. 4d. per ton.

It may be significant with regard to Browns' pricing policy that the value of New South Wales coal sold to foreign markets, which had been almost constant between 1883 and 1890, began to drop much more quickly after Browns' withdrawal from the association.105
When the Associated proprietors met in June 1891 the price of coal was discussed but it was decided to maintain it at 11s. Od. for best round coal with a permissible maximum allowance of 2½%. At the August meeting a move was made to reduce the price to 10s. Od. from 1st January, 1892 and an amendment was also proposed to the effect that the allowance be increased to 7½% for trade to American ports to meet the competition of the collieries outside the association. The amendment lapsed for want of a seconder and the motion to reduce was lost, having the support of only two proprietors: the year 1891 was a good year compared with its predecessor.

Nevertheless the October meeting of the Association decided to reduce the price of coal to 10s. Od. from the beginning of 1892 though the proprietors were evenly divided over the issue. Wallsend, traditional leader in the North American trade and an important supplier to South American markets, voted for the reduction. Lambton, with a large percentage of its trade being arranged in London, also voted for the reduction as did two other companies. The A. A. Company, predominant in the 19th Century in the Australian trade, opposed the reduction as did the Newcastle Coal Mining company and two other producers. In the Australasian trade New South Wales coal enjoyed a strong position though there was often severe competition, which tended to reduce prices, in these markets. Coal could be sold at comparatively high prices in the intercolonial ports without producing serious opposition from any but N.S.W. producers. On the other hand, price levels and prevailing freight rates were of supreme importance in coal markets such as Valparaiso, Hongkong and San Francisco where English, Japanese and North American coals could offer strong competition. Nevertheless, within the financial limits set by conditions in these markets New South Wales producers frequently out-reduced one another in the struggle for a share in the market.

When, in December 1891, the Associated Proprietors discussed the possibility of bringing those outside the association back into the fold, the two principals disagreed in correspondence over the form the new agreement would involve: the two opinions illustrate the eternal problems besetting those who endeavoured to arrange and preserve the Vends. Oregon of the A. A. Company favoured an arrangement for sharing out the trade on an agreed basis but allowing the proprietors to reach their own prices in order to permit those with inferior coals to survive.

Binney of the Wallsend Company and secretary of the various Northern coal associations for more than thirty years, disagreed and argued:

"the necessity of any arrangements with outside collieries arises from underselling and I consider the idea of letting them sell at any price they like, subject to a limit in quantity, would not be workable."
He went on to discuss the idea of a uniform price in these terms:

"all large buyers say it is not so much the actual price of coal they care about so much as that no one else shall buy at a less price than that buyer is paying, this would be within your own (Gregson's) knowledge so far as the intercolonial trade goes and I know the same operates in the foreign trade."\textsuperscript{110}

Binney did not expect Browns to co-operate in moves to strengthen the Association but one of the other proprietors thought they would: Binney commented:

"but if they do their percentage will be very large out of 100%."\textsuperscript{111}

As a result of these negotiations, seven more collieries signed a limited form of Vend agreement which was accepted by Associated Proprietors on 2nd February, 1892: it provided for the maintenance of the 10s. Od. standard price and the hewing rate of 3s. 10d. per ton. Browns were not signatories to this arrangement which broke down within four months when it was unanimously terminated by the Associated Proprietors on 17th May, 1892 because of the competition being offered by the Non-Associated collieries who were a party to the agreement.\textsuperscript{112} The meeting had considered a list of sailings from Newcastle between 6th April and 22nd April and of the 5,150 tons carried in these ships, 4,350 tons came from non-associated collieries and only 800 tons from the Associated Collieries.

When a modified Vend was formed in July six of those outside the association joined in the new arrangement which by then included fourteen collieries and all the important producers except Browns and the Stockton Coal Mining Company.\textsuperscript{113} This enlarged association maintained the declared price of coal until 31st July, 1893 when it reduced to 9s. Od. per ton and wages were lowered accordingly, but the new body ran into difficulties as two proprietors refused to abide by the scheme and towards the end of 1893 several more members gave notice of resignation.

The demise of the Vend came at the end of 1893, a year when foreign, intercolonial and home consumption had dropped by 199,000 tons, 156,000 tons and 146,000 tons, respectively.\textsuperscript{114} (See also p. 151). It removed the last barrier, weakened as it already was, to the flood of competition which ensued in 1894 and 1895. It was not possible to revive the scheme again until 1906 and the period of Browns' advantage over the associated competitors came to an end.
Mines and Miners

Mimmi continued to be the base of the firm of J. & A. Brown. The town itself and its two collieries no longer attracted the surprised interest of the press and so the descriptions which occasionally appear in The Newcastle Morning Herald and the Wallsend and Plattnsburg Sun are not as comprehensive and detailed as the accounts of the early 1860's or of the mid 1870's when the township was redeveloped.

Employment at the collieries increased from 293 in 1880 to 875 in 1894 but there were reductions in 1888, 1890 and 1893. In addition there were Browns' railway and engineering staffs, who would in some cases have lived in Mimmi and there would also be those who carried on businesses in the township. The population of the town was 2,357 in 1891 and 2,591 in 1901. 115

Mimmi remained a "company" town: the land on which it was built continued to be the private property of J. & A. Brown. The implications of this situation for the residents have already been described (see pages 86-87).

Mimmi was never incorporated, and was developed without the aid of a council, without building regulations and without rates. Browns continued to occupy the position of absentee landlords who had to be approached for monetary assistance or approval when the residents were trying to effect improvements. During the 1880's the Improvement Committee asked the firm to erect railway gates, to agree to a change in the arrangements for running Government carriages on the colliery railway and to assist the townspeople, who had made donations towards the cost of the project, to remove stumps from and to level and cinder the main thoroughfare. 116 When the Improvement Committee arranged for a Member of Parliament to support a proposal to build a new road linking Mimmi to West Wallsend, Browns refused to allow the road to cross their property. 117

The main road needed repairing in the winter of 1887 and the Improvement Committee raised £120.0. by means of a concert and then asked Mr. Brown how much he would give towards the project. 118 Brown's reply was not recorded but the results of the system were not very satisfactory though they may not have been very different from the situation prevailing in other N.S.W. country towns of the time. A policeman doing duty in Mimmi during the 1895 strike wrote to a friend "I am doing duty in the most miserable part of Australia. Besides the police, the pigs do duty at night, rooting and grunting all over town. There are no streets formed and during rainy weather we sink deep in muck." 119
Evidence as to the condition of the Duckenfield and Back Creek Collieries in the period 1880 to 1893 is fragmentary before 1889. Browns sank a new tunnel in 1884 and excavated a new shaft in 1893 to facilitate the working of the deep section of the mine. The equipment of the mines, railways, steamers and tugs excited neither the press nor, in the case of the collieries, the Inspectors of the Mines Department who usually described them simply as complying with the Department's regulations but who did enthuse over a "splendid new furnace" at Browns Colliery in their Annual Report for 1883. It was at the bottom of a deep shaft and was considered capable of producing sufficient ventilation for double the workforce of the mine which then consisted of 224 men, boys and horses.

In 1889, in a small booklet printed in Newcastle, Kingsmill described Mimi as it was almost 30 years after the elaborate descriptions of 1861 (See page 42). The site of the colliery was marked by a group of brick buildings, the largest being the workshops. Here Browns had a fitting shop with five lathes capable of turning iron up to eight feet in diameter and horizontal, vertical and radial drilling machines capable of boring six foot cylinders. There was an iron planing and shaving machine, a 20 inch slotting machine, a huge grindstone and "numerous other labour saving appliances" which enable the firm to repair locomotives, waggons, skips and to do ship maintenance work.

The adjoining foundry cast all Browns requirements up to five tons in weight and had produced railway wheels and points as well as the cylinders for one of Browns' tugs, the "Prince Alfred." Brass bearings were turned out there and even when a piece of work proved to be beyond the capacity of the Mimi shops and had to be executed in England, the patterns were made there and sent to the selected English plant.

Six forges glowed continually in the smithy and the carpenters' shop was equally impressive, its timber requirements usually being provided from the Mimi estate. All the machinery was driven by a 25 horsepower engine, steam being supplied from three common shell boilers 45 feet long. In addition there were store rooms, a Tangye pump, and a brick locomotive shed and goods-shed which housed two years' supply of fodder for the mines' eighty horses. The whole establishment, including the battery of coke ovens with a capacity of 200 tons per week, covered nearly five acres.

A quarter of a mile away was the Duckenfield tunnel which inclined for a distance of into hills/one and a quarter miles. The coal had been won under the hills around the colliery from 8 yard bords and 6 yard pillars. Haulage underground was by horses as far as the main engine planes where the skips were attached to a wire rope controlled by two engines of 30 horsepower.
each and hauled to the mouth of the tunnel there to be overturned so that
the coal slid down over the parallel sloping iron bar screens onto the
railway waggons below. Duckenfield was producing about 450 tons of large
c coal a day when Kingsmill saw it but it was reported to be able to supply
500 tons in eight hours when in full production.

Ventilation was by means of two furnaces, one at the bottom of each of
two shafts, 100 feet and 150 feet deep and situated about three quarters of
a mile from the mouth of the tunnel. A pump was extracting about 7000 gallons
of water per hour from the lowest part of the mine.

On the other side of the town, in a deep gully, was the newer tunnel
known as Back Creek Colliery: its plant was similar to Duckenfield's but
it was considered capable of having an output of 550 tons per day lifted
to 750 tons per day. Ventilation was also by two furnaces. 124

Both these mines were working the Borehole seam which at that time
and place was ten feet thick but contained bands of foreign matter which
reduced the thickness of coal actually worked to about five feet: five
feet of the tops coal were left behind. When a sample of the coal was
analysed it yielded

\[
\begin{align*}
1.48\% & \text{ moisture} \\
29.53\% & \text{ volatile hydro carbons} \\
61.54\% & \text{ fixed carbon} \\
6.62\% & \text{ ash} \\
0.83\% & \text{ sulphur}
\end{align*}
\]

A specific gravity of 1.312. 125

Following the withdrawal of Alex from the firm in 1883 (See page 114)
he was replaced as joint trustee of the half share of J. & A. Brown which
had been Alexander's, by Alick and at the same time James Brown retired from
the firm, making over all his interest in the firm to John and Alick to hold
in trust for themselves and their brothers. James was absolved from the
liabilities of the firm and retained an annuity of £1,200. 126

Perhaps the most significant feature of the settlement was a provision
limiting the right of control of the firm to the trustees, John and Alick,
who were to exercise their power in the interest of all the brothers who were
henceforth the sole and equal owners of the firm. 127

John Brown appears to have placed a narrower interpretation on this
restriction and when Alick, who had been manager of the Sydney office,
sought to interfere in 1887 with John's function as manager of J. & A. Brown,
John left the office and refused to take any part in management. He arranged
for an advance of £10,000 from his banker and departed for Adelaide. 128
Alick then agreed not to interfere again and John returned. Alick continued as
manager of the Sydney office until John Brown went to London in 1888 when he became the manager of the Colonial branches in Newcastle, Sydney and Melbourne. Alick Brown retained this position until he left for England in 1893 to seek medical treatment for Bright's Disease. He played no further part in the business of the firm and died in 1897.

William Brown acted as colliery clerk at Kimmi in the 1880's prior to 1888 and then quarrelled with John over William's desire to be colliery manager at Kimmi. He appears to have "usurped" the position and then to have been forced to resign by John. Solomon Brown later recalled how William then went to Sydney and lived in a flat over the firm's office there before John gave William "about £500" and he went off to New Zealand.

When the youngest brother, Stephen, reached his majority in 1892, William sought legal advice as to his position after the expiring of the trusteeship of John and Alick.

William's dissatisfaction continued and he took further advice when in England in 1892. He described the hierarchy of the members of the family on that occasion as:

John, managing the London Branch on a salary of £800 p.a.
Alex, managing Colonial branches on a salary of £500 p.a.
Stephen, who had just entered the office, salary of £50 p.a.

These salary differentials, among owners of the firm in equal parts, (see page 115) and ostensibly fixed in accordance with function in the business may have been acceptable to the brothers had there been a less dictatorial method of determining policy and disposing of profits but with John in sole control and ploughing back practically all the earnings of the firm, disputes were inevitable.

Between 1884 and 1892 there had been only one division of profits when, at William's urgent request, £5000 had been paid to each of the four partners. John had pursued a policy of gradual enlargement of the firm from its earnings. He had bought steamers and expanded the business of the firm without the consent of his brothers and had given no accounts of trusteeship of the property to his brothers: William sought legal advice only to try to force John to accept an amicable solution and did not take court action until 1907. (See page 274).
It is of interest to note that William assured his lawyers of his faith in the absolute integrity of John and Alick. William was not questioning John's loyalty to the firm or to the family; his objection was to John's paternalism and his over-zealous devotion to J. & A. Brown.

The legal documents which effected the 1884 settlement express a plan for the continuation of the firm which, John appears to have made the guiding principle of his life. Alexander Brown, by will, decreed that the half share of J. & A. Brown which he was bequeathing to the Alex Brown and the sons of James, could not be sold other than to the beneficiaries thereby keeping the firm in the hands of the family. When James withdrew from the firm, he endeavoured to impose the same limitation on his heirs. Though the opinion of lawyers consulted in 1892 was that this condition was probably not binding on at least some of the sons of James Brown, Alick and William observed it and John Brown expressed his willingness to do so on certain conditions which his only surviving brother Stephen would not accept. Instead John left his share in the firm to others and directed in his will,

"And I expressly desire that the business of the present firm or partnership of J. & A. Brown shall be continued and carried on in the same firm name during the lifetime of my brother, Stephen Brown ..."136

For the John Brown of the late 1880's, the preservation and development of the industrial complex he had inherited from his pioneering father and uncle was his mission in life and he was to make much of the fact that they had entrusted him with this task. Pride in the achievement of James and Alexander was already a driving force: it is obvious in his public utterances, at the banquets of 1878 and 1879, and on his return from England in 1893. It was to grow into a tremendous conceit in his own abilities as a manager: a conceit which provoked William's sneers in their struggle for control of the firm in the period 1907-1909.137

John's period as manager from 1884 to 1893, had been successful in that the firm's debts had been paid, it had fulfilled its obligations under the Vend and withdrawn constitutionally, thus recovering moneys due to Browns from the various funds of the association, the Mimmi mines had been developed and their capacity increased and the firm was operating profitably in the two or three years prior to 1893. There had been some heavy expenditures on the modernisation of the fleet of tugs and Browns' steamers. The decision to leave the Vend also appears to have been justified from Browns' point of view by their success in the early 1890's. However, Browns' withdrawal weakened the association, doubtless hastened its end and contributed to the decline in prices which impoverished the mine owners, miners and business community of Newcastle. To offset this there would have been some advantage to the consumers both within and without Australia as the price of coal dropped.
John's record as an employer requires a detailed examination of
the developments of the period from 1880 to 1893.

The Mimmi miners (i.e., those who actually hewed coal) worked in the
mines on a one shift basis on those days when the management required coal.
There were usually two shifts a day of five to six hours for miners but coal
was withdrawn from the collieries for ten hours a day with the miners tending
to change over in the middle of these drawing hours.139 Hours of work were thus
flexible and there were complaints at times of the Mimmi miners working
overlong hours.140 There were also signs that the labour of the miners was not
always continuous while at the coal face and apart from the time spent in
eating. As for example, on the occasion when the local paper reported the
discovery of two brass bands playing in perfect order in the Lambton mine in
April 1888 only a few weeks after a magistrate had heard a case against a
group of singers for performing in the Wallsend mine during the hours of
work.141

The miners continued to be responsible for the hewing of coal from the
seam usually by the use of the pick, the shovelling or forking of the coal
into small waggons or skips and the fixing of the timber props which were
necessary to support the roof of the mine. They were not permitted to use
explosives in at least one of the tunnels until January 1887 probably because
the management wished to avoid undue fragmenting of the coal. When permission
was granted the miners reacted favourably and immediately increased their
output so that they found that the surface workers whose work involved the
screening of the coal, could not cope with the increased flow. As a result
skips were not being emptied rapidly enough to allow their return to the
mine and the miners complained that on some occasions they could only obtain
five skips a day and consequently produced and earned less.142

The work of the Brown's colliery miners was carried out in summer
temperatures which ranged from 73 degrees to 79 degrees according to the
part of the mine.143 In winter the temperature at the working face ranged
from 58° to 62° in 1892.144

The ventilation of the Mimmi, and other collieries also, attracted
unfavourable comment at times during the period 1880-1893. The Duckenfield
miners had to return from the mine when they found black damp within 100
yards of the mouth of the tunnel between 6 and 7 a.m. on 10th January, 1887.
They met to consider the situation later that morning and sent a deputation
to the manager who informed them that if they did not return to work he would
employ others in their places.144

In February 1887, the manager of Duckenfield was prosecuted for failing
to observe the ventilation conditions laid down by the Coal Mines Regulation
Act of 1876.145 It required mines to be divided into districts of not more than
70 men with no working place more than 35 yards before the current of air
without a cut-through. (See page 94). The manager, J. Croft, claimed
in court that the 35 yard cut-through rule was commonly broken throughout the district. It seems that this particular breach had attracted attention because of a quarrel between an overman and the miners who reported the matter to the inspector in the hope that the overman would be punished by the court. The inspector found working places 36, 43 and 54 yards in advance of the air current. In April 1888 the Manager of the WallSEND mine was also prosecuted for his failure to see that the ventilation provisions of the Act were observed. Many mining managers appeared in court in his defence and the WallSEND and Plattsburg Sun commented that the Mines Department had been shaken out of its apathy towards breaches of the regulations by the Bulli explosion which occurred in March 1887 killing 81 miners.

The frequency of injuries to Mimmi miners in 1881, 1882 and 1883 owing to explosions of fire-damp suggests that ventilation was seriously inadequate in this period and the Government Examiner of Coal Mines, in his Annual Report for 1881, described how, following a complaint from the Miners Association, he inspected the Back Creek Colliery where his attention "had been drawn to seven miners, ... who had been recently, and at separate times, burnt through explosions of gas, of which no notices had been received by me from the manager ...."

Though Browns were asked to take steps to remedy the situation and though only serious injuries were usually reported by them, two men were seriously burnt from an explosion of gas in 1882 and two more were injured in 1883 the same way. There were no further reported explosions at Mimmi in the period to 1893. This improved situation may have been due to the installation during the second half of 1883 of a new furnace built at Duckenfield Colliery. Duckenfield was connected with Back Creek Colliery underground and there may also have been improvements to it at this time.

The Annual Reports of the Mines Department make it possible to examine the accident rate at Mimmi collieries in this period. (See Table 34 ). Though there were major pit disasters in the years 1886, 1887 and 1889 at other collieries, Browns' output per life lost for the whole period is only 194,428 tons and this low figure was reached by Northern District mines in only five of the fourteen years under consideration in this chapter and two of these five years were years when major disasters occurred.

Browns' figure for output per non fatal injury is 64,890 tons and this appears to be closer to the District performance on a yearly basis: Browns had a lower accident rate in relation to output of coal over the whole period than the District in seven of the fourteen years 1880 to 1893. Browns' poor performance in terms of deaths per tons raised, merits a closer examination. Fatal accidents at the Mimmi collieries fall into two main categories: those occasioned by falls of the roof and accidents occurring in the transport of coal either in the mine or on the surface.
The responsibility for the many injuries and fatalities caused by falls of coal or stone from the roof was always placed on the miner as long as timber for supporting the roof was available to him; in these circumstances, coroners and mines department inspectors usually came to the conclusion that no blame was attributable to the management. It should be recognised, however, that the pressure to produce, which would have weighed more heavily on miners in times of low wage rates, as for example in 1861 when five injuries through falls were reported from Minmi, or when work was scarce, may have contributed to the reluctance of miners to spend adequate time in timbering. Payment to compensate miners who found it necessary to do an abnormally great amount of timbering could be made as considerations after 1874 but miners had to timber in their own time under "normal" conditions. When work was irregular the miners may well have been induced to work at speed in order to take advantage of the demand for coal and in these conditions may have taken greater risks: tired men, too, would have been more likely to make mistakes. Regular work and short working days would tend to take the pressure off the miner and might have reduced accident rates.

Accidents involving the transport of coal, either by horse drawn skips or by haulage engine and wire ropes drawing coal to the surface frequently caused serious accidents. When they were the result of primitive safety systems on the colliery railways, defective equipment or poorly designed colliery plant or the lack of safety-guards or a combination of the responsibility must lie with the mine owners.

Miners in the Duckenfield and Browns' Collieries then, between 1880 and 1893, worked in conditions which were sometimes excessively hot, occasionally deficient in ventilation and which required them, while kneeling or standing, to hew and shovel coal and erect support for the roof of the mine. There was always a degree of danger and there were fifteen fatalities at Browns during these fourteen years but Gollan is probably exaggerating when he says that "most miners experienced at least one major disaster; an explosion, a crush, or a massive fall of the roof."  

Table 33 summarises the accident record at Browns' Minmi collieries between 1880 and 1893. (For further reference to accidents in these mines see pages 270-271).
<table>
<thead>
<tr>
<th>Year</th>
<th>1880</th>
<th>1881</th>
<th>1882</th>
<th>1883</th>
<th>1884</th>
<th>1885</th>
<th>1886</th>
<th>1887</th>
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<th>1889</th>
<th>1890</th>
<th>1891</th>
<th>1892</th>
<th>1893</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal at Browns</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Non Fatal at Browns</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>-</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

- Tons raised at Browns, 1880 - 1893 = 2,722,000
- Fatal accidents at Browns Collieries = 14
- Non Fatal Accidents at Browns' Collieries = 42
- Tons raised per fatal accident = 194,428
- Tons raised per non fatal accident = 64,809
There is no evidence to suggest that Brown assisted or compensated those who were injured while in their employ; nor is there any evidence to the contrary: it should be mentioned, however, that the press was far more likely to comment on generosity than the reverse. A Permanent Relief Fund was established in 1876 after negotiations between the Associated Proprietors and the District Union, and to its funds the mine owners contributed 16⅔ per cent of their employees' contributions but it is not clear whether the employers' part in the scheme survived the first Vend. 158

When eleven men were killed in the 1889 Hamilton pit disaster, four of them tunnelling 45 yards with a single iron bar before suffocation or starvation overtook them, the A. A. Company paid pensions to their dependents. Each widow received a letter of sympathy which advised her that though the company did not admit any responsibility for the disaster it would provide 15s. Od. per week for each widow for life or until remarried and 5s. Od. per week for each of her children until the age of fifteen. In July 1890 the Lambton Company gave £50 to the widow of a man who had been killed in a boiler explosion at the colliery and agreed to allow her 5s. Od. per week for five years after the explosion. 159

Compensation for the injury or death was haphazard in the extreme as it depended upon the whim of the employer but it was not replaced by a secure system of compensation until 1900 when the Miners' Accident Relief Act became law. 160

The regularity of the quarterly output of the Minni collieries in the early Vend years, in particular, would have tended to reduce the fluctuating nature of mine work and the wages of the miners but there was still the possibility of intermittency of work and unevenness of income within the quarter and after 1867 this was considerable.

Figure 15 indicates the output of the Minni collieries by week during 1882. It is constructed from newspaper tables based on information supplied by Browns' shipping manager: it is incomplete and probably also contains inaccuracies. Gregson had small faith in the accuracy of the newspapers but during the Vend such information was likely to be closely watched by rival producers and hence supplied with care. 161 To the extent that the employers' returns to the Vend were accurate, these returns are likely also to have been accurate. In addition it should be noted that during the Vend's duration there were no recorded complaints about misrepresentations in trade returns.
The weekly fluctuations in output may be attributed to the unevenness of demand for coal; even the Sydney market shows substantial variation and ships supplying Sydney were usually committed to this role - the "sixty milers." Of course adverse weather conditions could occasionally cause a big fall in output. Strong winds could also prevent the movement of ships in harbour as that they could not be moved to loading berths. There was also the possibility of such variables as breakdown or maintenance work on colliery or railway or loading machinery preventing the mines working, or delaying the return of wagons to the colliery so that work was not possible. To complicate the situation there was the haphazard nature of the schedules of sailing vessels which carried the bulk of the overseas trade throughout the 19th Century.

These influences determined the pattern of work over time; they were less influential in determining the total amount of work available to the Minmi miners. The Vendi system was based on quarterly predictions of the total trade of the Associated Collieries: these would have been of some assistance to the proprietor in deciding the size of his work force and the size of the work force in relation to the output of the mine was extremely important to the miner. All miners were usually given the same opportunity to work according to the principle of the Miners' Union.

During the years 1882, 1883 and 1884, while Bovens adhered closely to their vend or undertraded within the prescribed limits, their output fell slightly from 161,000 tons in 1882, to 162,000 tons in 1883 and 167,000 tons in 1884. In this period they increased their underground employees from 290 in 1882 to 463 in 1884.

If the work force is assumed to have been constant at the December level during the year, though this would have been unlikely, average output per underground employee would have been 624 tons in 1882, 466 tons in 1883 and 362 tons in 1884 and a substantial drop in income for underground employees over the same period despite an increase in the district hewing rate of 4d. per ton from 3s. 10d. to 4s. 2d. at the beginning of 1883.

The assumption of constancy of size of work force is to some extent justified for Bovens had no financial incentive for reducing the size of the work force: having extra miners on the books of the firm gave it an added control over its industrial environment since, as long as there were sufficient working places and as long as the output could be processed and transported, the output of the mine would be more likely to meet any boom demand that might develop.

Bovens appear to have recruited additional labour during these three years without having any need of it and thus impoverished their miners to that extent. The same process was occurring in the Northern District as a whole, and a similar position had been allowed to develop during the first Vend, years of the Northern District as a whole. (See Table 24).
In 1885 there appears to have been an improvement as the number of workers employed underground declined by 35 and output increased by 48,000 tons with the result that output per underground employee lifted to 504 tons. Browns then increased the workforce so that in 1886, when production was greater, the yield per miner fell back to 454 tons.165

During 1887, as Minmi output was severely curtailed, the numbers employed also diminished, probably due to miners moving to better working collieries, perhaps to non-associated mines and output per underground employee was the lowest since 1880.166

The workforce was further reduced during the strike year 1888 but it was built up during the improved conditions of 1889. The fact that Browns still claimed a workforce of 453 after the disastrous year 1890 when Minmi production fell by 66,000 tons indicates the state of the other collieries.167 Often, when miners wanted to leave a colliery which was working intermittently they found that other mines were in a similar state and they stayed on hoping for an improvement in demand.

The greatly increased production from Minmi after Browns withdrew from the Vend at the end of 1890, was won by an increased workforce, which, in 1891 raised 483 tons of coal per underground employee. More miners were then employed and though 1892 production was greater again, each underground employee averaged only 397 tons for the year.168

The Mines Department records are of less value for the year 1893 for though Browns' annual return stated that 700 were normally employed underground at the collieries, Browns' Colliery was closed down at the end of September and 380 men and boys were reported to be unemployed as a result.169 The actual or threatened closing of one of the collieries was to become a feature of Browns' management technique in the 1890's and at times during the 20th Century they again made use of it.170
As the hewing rate had fallen from 4s. 2d. to 3s. 10d. in 1892 and then to 3s. 6d. in July 1893, and the output for underground employees in the Northern District was below 400 tons in 1888, 1890 (both strike years) 1892 and 1893 and only higher than 400 tons after 1897 in the two years 1889 and 1891, post strike years, this was a period of declining prosperity for Northern District miners. The average Mimmi miner's income was lower than the average District miner's income in the two years before Browns' withdrawal from the Vend but thereafter it was considerably above the district figures. (See Table 35). These conditions of work, of living, of payment, comprised the environment of the Mimmi miners.

The close relationship which existed between John Brown and the Mimmi miners during the 1870's was never re-established. John was abroad in 1878-9 and in 1882 when he married. Alex's withdrawal from the firm in 1883 then thrust John into the more demanding role of general manager and he was overseas from mid-1888 until mid-1893. He returned with a grievance against the miners over the 1890 strike which had disrupted the overseas trade.

The only member of the family active in colliery management during the 1880's was William, who withdrew from his post at Mimmi in 1888. He was the president of the Mimmi Agricultural Show Association and opened its shows, providing a locomotive for the carrying of its exhibits from Hexham just before the 1888 strike but he does not appear to have been involved in town affairs to the extent that John had been. After William left Mimmi, the manager R. J. Thomas opened the shows in his place and the last personal links between the Browns and their workmen were severed; in the future these would be only infrequent visits, usually by John. The Mimmi masters and men were far more isolated than they had been in the previous decade when James Brown had also been interested in colliery management and who was remembered in Mimmi for his generosity during the bitter industrial dispute at Mimmi in 1895.

The memory of the difficult conditions which many "Vend" miners experienced in the late 1870's and the loss of income which they all suffered as a result of the events of 1880 lingered on long after the settlement of the 1880 strike. The miners' association had supported the Vend, had split its own ranks in an endeavour to rejuvenate it in 1879 and when it failed the miners were the chief victims of the Associated Masters' campaign to force Lambton into an agreement to share output and regulate price. As one Newcastle miner put it in May 1880

"we were reduced from about £140 a year to £80 a year through them putting on men that they could not employ; and after they had starved us out as they thought, they came down upon us with a reduction of thirty per cent ..."
When the miners met in the Aggregate Meeting in April 1880, their secretary, James Curley claimed that the miners did not dispute the rights of the capitalist mine owners to calculate the cost of production of his coal, or the right to calculate the cost of transporting coal or the right to calculate the gain from his capital invested in his mine but the miners did expect that profits made by the owners should be "something like reasonable" and that they should not be made at the expense of the working man who was to be "screwed down" to the "veriest starvation point" in order to obtain exorbitant profits. 178

The Vend was re-established and the hewing rate was raised, though not to its previous level, but the proprietors refused a district agreement covering conditions at all mines and refused to re-establish a provision for arbitration of disputes between masters and men. 179 Prosperity returned to the district in 1862 but the harmony of the 1870's was not restored. The miners could not forget that the proprietors had failed in 1879 and 1880 to run the industry to the satisfaction of most miners, masters and the rest of the community. For the miners, the failure of the first Vend after years of its working satisfactorily for all concerned was the fault of the proprietors who could not agree to share the trade. To the miners, then, it was rank injustice to make them bear severe losses in the consequent battle for the market especially in view of the high profits made by the owners in the 1870's.

Implicit in the remarks of James Curley to the Aggregate Meeting is an awareness that the owners had had their chance to do well by all and had been found wanting. The miners who were in possession of many of the details of production and sales in the period of the Vend and who believed they knew at least as well as their masters, what was necessary for the welfare of the industry, were increasingly prone to challenge the masters' management of the mines. In 1879 they endeavoured to control the industry themselves: to impose a selling price; to regulate production and to police these regulations. They failed (see page 79) but the temptation to interfere remained and the owners, aware of the threat to their rights inherent in the 1879 attempt made certain that they were not again invited to share in the control of the industry.

When the Associated Collieries arranged the second Vend in 1881 they did not provide for united action in their dealings with their employees. Gregson of the A. A. Company reported that this decision was made unanimously and this, if true, does not preclude the claim of Alex Brown who attributed this failure to Gregson's refusal to bind his company in this sphere. 180

When the Vend came into operation, the price of coal was raised to 10s. 0d. per ton and the hewing rate for the district was raised to 5s. 10d.
in accordance with the sliding scale adopted as a result of the settlement by arbitration of the 1880 strike. The A. A. company had for many years paid a hewing rate 6d. in advance of the District rate: this loading was established to compensate miners for the conditions encountered in the Borehole mine of the company. Gregson refused to bring the A. A. Company hewing rate to parity with the District rate though only 1d. per ton was involved. As R. A. Gollan has shown this was a provocation to strike and Gregson hoped not only to abolish the whole of the extra 6d. per ton paid by his company in the past but to destroy the Miners' Union. He expected a strike of about three months which would not have prevented him reaching his Vend quota in the remainder of the year. 161

Gollan introduces his discussion of the 1882 strike of the A. A. Company miners with this passage:

"In 1882 the coal masters had their first taste of the effects of the new trends in the labour movement. As we have seen, in the previous year they had been forced back in spite of themselves into a new Vend; they had also been forced to compromise with the union when they expected a complete victory. They attempted to win the complete victory, which would destroy the union in 1882." 162

Gollan then suggests that Gregson's explanation of his policy in precipitating the strike "is most valuable in revealing the outlook of the colliery proprietors." 163

Gregson may have expected a complete victory over the union in 1890 but for Browns and probably the other associated proprietors involved, including Lambton, were not parties to the dispute, the issue was not to crush the union but to re-establish the Vend. The masters had lived with the union during the period from 1873 to 1879 in relative harmony, when the Vend was threatened they enlisted its aid. By 1880 it was a part of their environment and a far less significant part than the existence or otherwise of the Vend. Certainly the proprietors in the association agreed to demand a substantial reduction in the hewing rate in March, 1890 but this was to enable them to wage a price cutting war intended to drive those outside the association into it and to punish the miners for not being united in support of the Vend. 164

To suggest that Gregson's attitude in 1882 was common to the other proprietors is also incompatible with the facts. While the A. A. Company struggled with the union, its rivals enjoyed not only their own trade but the A. A. Company's as well. Far from being prepared to attempt to break up the union, the proprietors were intent on returning to the profitable trade usual under Vend conditions. The fact that Gregson was prepared to
fight another battle after years of difficulty for the members of the first
Vend shows his exceptional outlook, not the outlook of the proprietors in
general. Browns and the others were far closer in outlook to the Board of
Directors of the A. A. Company "who were always reluctant to accept a fall
in profits for some strategic advantage in the continuing contest between
proprietors and men," than they were to their Superintendent in Australia. It
would be more accurate to describe the Associated Proprietors, apart
from Gregson, at this stage of the industry's history, as being prepared to
fight the miners if they had to, and for them this meant when the profitable
operation of their collieries was threatened.

The records of the Proprietors' Association for 1882, 1883, 1884 and
1885 up to October contain few references to labour though there were some
negotiations between the association and the miners' union.

A reading of The Newcastle Morning Herald for the period also creates
an impression of a prosperous industry which experienced no general strike
and only a few strikes at particular collieries during the years from 1882 to
1885, but there is evidence of the growing strength and activity of the
Hunter River District Miners' Protective Association.

On April 19th, 1883, an Aggregate meeting of miners demanded an
increase in the yardage rates for hewing coal to make them conform to the
1880 award which effected a settlement of conditions after the strike; they
threatened a general strike if their demand was not met. In October 1883,
the miners participated in a mass demonstration in favour of the Night Hour
day; they were to renew their efforts in succeeding years in support of this
objective. Many Newcastle organisations and individuals were supporting this
cause in this period.

In March, 1884, the Union staged the first of a series of Annual
Demonstrations in support of the cause of trade unionism. The union had
a membership of 2,290 members, a cash balance of £1,300 and £1,700 invested
at interest.

The miners' union continued to seek agreement on a procedure for the
conciliation of industrial disputes and carried on its struggle to abolish
the system of payment to miners according to a standard weight which was
applied to all skips (or most skips) and which was calculated on the basis
of the size of the skip or the weight of a sample of the skips of a particular
miner or group of miners. The miners wished to be paid for the weight of the
coal obtained by them and their union instructed them to fill the skips level
with their sides in order to give point to their demand.

In June 1884, the threat of a strike forced the Waratah Coal Company
to re-instate men whom it had dismissed. A similar case at Minmi was
successfully dealt with in August, 1884.
When the miners held their second Annual Demonstration on 5th March 1885 they had 3,000 members and their funds had increased to £3,650.\textsuperscript{193} Underground workers employed in the North increased between December 1884 and December 1885 by 473: the union's membership increased by 710 and many of the new underground workers would not have been eligible to join the union. One speaker commented on the lack of disturbances in the industry in the previous year.

There were continued complaints about bad ventilation but no major dispute after 1882 until March 1885 when the Burwood miners demanded a hewing rate of 4s. 8d. per ton. The strike lasted until May. During that month there were minor disputes at Greta and the Co-operative collieries as the miners demanded wage increases which were not conceded and at South Waratah there was a lockout when miners contested the competency of the driver of the winding machinery.\textsuperscript{195}

In June 1885 the Wallsend Lodge initiated a move to limit the drawing hours of the Northern mines to eight hours per day, the District union took up the matter and a conference was held between the proprietors and the union officials on September 14th. The miners wanted eight hours to begin from October 1885: the owners were prepared to make concessions and the result was an agreement to introduce an eight and a half hour day from 1st January 1886 and thereafter to limit the hours to eight from 1st July, 1886. At their September meeting the Delegates from the various lodges decided to support the Lambton miners in their demand for the same higher rates of pay as the Wallsend miners obtained in compensation for the band of stone which split the seam of coal: the miners gave fourteen days notice and the District Union, in a ballot of members, decided to support them financially during the strike. The strike which began on 20th October, 1885, lasted until July 3rd, 1886. At this stage the proprietors took steps to protect themselves against "unjust and exorbitant" demands of the miners.\textsuperscript{197}

If these demands, for example, for eight hours, were considered to be unjust, why were they met with concessions? The answer must lie in the prosperity of the industry: the proprietors were reluctant to disturb the profitable working of their collieries and they could afford to make concessions. (See page 126). They apparently made what concessions they felt they had to in order to preserve the profitable state of the industry: they may also have found it possible to meet the demand for their coal under Vind conditions while operating the hauling equipment of the mines only eight and a half hours a day. There is the further possibility that the proprietors wished to avoid a general strike which put abnormal strains on the owners in the association: when a strike did occur in 1888 the proprietors' front was broken by Stockton's defection.\textsuperscript{199}

The Associated Proprietors set up an association, The Newcastle Coal Owners' Mutual Protective Association, parallel to the Vind: it provided
for its members to contribute in proportion to their share of the total sales of the Association to a fund which could be used, under certain conditions, to compensate collieries at which lockouts or strikes occurred, for the loss of their profits.200

Compensation was to be paid after the proper procedure had been observed. If a dispute occurred and could not be settled amicably or by local arbitration, then the proprietor concerned was to put his case before the Executive of the Association. It would decide if it would support him and to what extent.

If the Executive decided to support a proprietor it could either assume the direction of the dispute or leave it to the proprietor: in the event of the Executive taking over the conduct of the owner's case, the Association would pay him compensation regardless of the nature of the settlement. If the owner was left to his own resources in the dispute he could still receive compensation whether he emerged victorious from the struggle or not. Success was defined as the attainment of a substantial proportion of the contentions of the proprietor or the failure of the employees to secure their principal objective.

Compensation could only be claimed in cases of complete stoppage of the mine "simply and solely by the quarrel between the owners' management and the employees."221 That is to say, proprietors could not expect to supplement their income by conducting a dispute in one section of the mine and would also be prevented from claiming compensation when their mine was stopped because of, say, a breakdown or lack of demand. Compensation was not to be paid for more than six months and was never to exceed the total of ten times the sum of four quarterly payments of the claimant. It was not to be paid until the fund reached £20,000 and it was to cease to be available when the fund fell below that amount unless an owner won a victory on his own responsibility in which case the Executive could decide to pay him.

Only one dispute was compensatable at one time unless the fund was so large that £20,000 would remain when all existing claims had been paid. It was provided that the agreement would last three years and that those who withdrew in the meantime would forfeit their contributions. Words such as "victory" were used in the original and indicate the outlook of the proprietors to the conduct of subsequent disputes.

The Defence Association prepared the proprietors for resisting any attempt by the miners to win improvements at a single colliery: it is perhaps significant that Oregon, who did not want a combination against the miners in 1881 and who partially failed in a long and determined single-handed effort against the union in 1882, was a supporter of the new
Association and was elected to its executive. 202

The first deposits to the funds of the Defence Association were made on 4th November, 1885, when the proprietors contributed £2,400. Similar amounts were deposited in January 1896 and then on 29th April the bank received £15,000 to raise the total to over the limit of £20,000 if interest is included. 203

Meanwhile, the Lambton miners, in pursuit of extra payment to compensate them for having to hew and discard nine inches of stone which ran through the coal seam, were continuing their strike. They finally returned to work early in July 1886 with no more than a promise that their claims would be submitted to arbitration. 204

In July, and before the arbitrator had made his award, the Defence Association paid Lambton £15,068. 16s. Od. as compensation for loss of profits incurred as a result of the strike. This sum was made up of compensation of 2s. Od. per ton for six months, this was the maximum allowed by the rules of the association, and 1s. 6d. per ton for the remainder of the period. A special call was made on the members of the association in order to raise the supplementary funds needed for the extended compensation. Brown's share was £396. 6s. Od. 205

For the miners the general issue in this dispute may have been, as R. A. Gollan has suggested, the lack of a means of settling disputes but for the proprietors this was certainly not the issue, either immediate or general. The issue for them was to defeat the miners; for them it was not a question of settling disputes but of rejecting any further demands. The willingness of the proprietors to extend the period of compensation after paying out £11,749. 8s. Od. indicates their determination to check the progress of the union.

Having established an insurance scheme to protect themselves against the possibility of the miners using strike action to secure improved conditions, the Associated Proprietors moved to prevent the miners making improvements by more devious means.

In January 1886, all members were instructed "no change, addition or alteration in the price of getting coal or concessions in existing rates or alterations in customs of any colliery of any kind were to be made by any of the Associated Managers thereon, to the Board of the Association and obtaining its approval." 206
This was the beginning of a system of dealing with disputes in accordance with the rules of the association which were designed to ensure the support of the Defence Association should a stoppage occur. The Defence Association funds were used to compensate the Lambton Company for another stoppage in January 1887. The Lambton miners had refused to work the back shift in accordance with the policy of the District Union; they were locked out and had to rescind their motion not to work that shift. In September 1887 the Burwood Coal Company received £923. 0s. Od. for a stoppage over a similar issue.

It is indicative of the strength of the proprietors in 1887 that they began to extend the system of tribute which consisted as one miner put it, of "the masters working the good or fair portions of a mine and the miners' lot being the unprofitable work." By arranging with tributors to work sections of the mines at lower rates than the miners received, a proprietor could increase his profit margin on that coal: where the coal was more difficult to obtain and tributors were unwilling to work, the miners were employed. The Associated Proprietors recognized tributing as normal mining practice by including coal produced in this way in the Vend allocations but it remained the practice at only some of the smaller mines and was not practised at Mimi.

Accusations that "victimization" was common were also made in 1887: miners were being dismissed on "trifling" and "groundless" charges and the miners' president urged his members to unite against the proprietors whose practice this was. Some of the charges of victimization were directed at Browns but the lack of evidence does not permit the cases to be investigated.

When the Miners' Association sought conferences with the proprietors on these issues early in 1887 their request was rejected as an earlier one had been. The Mimmi miners who had produced an average of only 362 tons per underground employee in 1884, produced a much greater 504 and 454 tons in 1885 and 1886, but had a bad year in 1887 when they produced only 325 tons. Production had fallen much more rapidly than the number of miners employed. There were no strikes at Mimmi between 1880 and 1887 unless they were so shortlived as to have warranted no mention in The Newcastle Morning Herald nor, after 1886, did The Wallsend and Plattsburg Sun mention any dispute leading to a cessation of work there.

On 21st May, 1887, the proprietors met the officers of the Miners' Union and the delegates of the various mining lodges to confer upon a draft of an agreement to standardize conditions of work and providing for the arbitration of disputes. The draft was the proprietors'; it had been considered by the miners who were ready to suggest amendments. When they announced their amendments and before there was any discussion apart from a question and a derogatory comment from Gregson, the latter announced that the Associated
Masters could not agree to any one of the proposals.

"They were unable to concede any of the propositions made. He need not refer to them in detail, but the mode of settlement of disputes was the critical point of the whole thing, and on that the associated proprietors were unanimous."214

There was little point in discussion after such an immediate and wholesale rejection of the miners' proposed amendments and the conference died. The proprietors had already committed themselves to a continuation of the struggle with the Union. They had been pursuing a policy of obstruction since at least November, 1885: their Defence Association had been successful in repelling every move made by the miners in pursuit of satisfaction of their grievances. The weapon of the proprietors in this counter offensive had been effective in handling attacks on a single colliery front but had offered no protection against the weapon of total war, the general strike. Then, on the eve of the conference and before hearing the miners' reaction to their draft agreement, they moved to fortify themselves against the general strike.

As Gregson explained it:

"The local owners' representatives feeling that all surrounding indicates render it desirable that they should be prepared to ensure united action on their part when necessary, agreed on 21st instant to the principle of a further bond of Association between the members of the existing Associations, which provides for building up by quarterly contributions a guarantee fund to act as an effectual bond of fidelity to any course with regard to questions arising with the miners which a four fifths majority may think it right to adopt."215

A Draft of this bond, the Newcastle Collieries Unanimity Guarantee, began by reciting:

"Whereas questions may arise between colliery owners ... requiring united action on the part of All proprietors to prevent disastrous results which might accrue from want of unanimity thus enabling miners to enforce claims or carry out schemes injurious to the trade and prosperity of the district ..."216

It went on to record the details of the scheme which involved the deposit of sums of money by each of the proprietors so that, in the event of a member of the association failing to carry out the decision of the members voting in proportion to their paid contributions and subject to rules requiring a majority of four fifths on questions involving a general strike, that member would forfeit his contributions to the fund which was to be shared out
among loyal members at the conclusion of its term of three years.

On 21st July, 1886, the Union again asked the proprietors to accept a district agreement which included provision for arbitration of disputes and for the definition of the standard seam as one six feet thick: the miners were particularly concerned about a dispute at the Ferndale colliery where the seam was only five feet and one inch thick but the proprietors were adhering to a system of consideration payments for the removal of stone, which had been awarded at Wallsend where the seam was thicker.217

At the conference of 21st July the owners prevaricated: they needed time to decide, they said, and suggested another conference in a month's time.218 Their attitude stung the representatives of the union and one of them told the aggregate meeting which was called on 26th July to decide if the delay was reasonable, that the proprietors had said they would meet the men again if convenient.

"It was the 'if convenient' that put his pipe out ... He was not in favour of strikes and lockouts, but the miners had rights to assert and should allow no one to infringe those rights."219

The leaders of the miners took the view that the owners sought the delay of a month for only one purpose, to get through the period of peak activity for the year. James Curley stressed the importance of the issue which he believed would determine the future of the miners, "whether they would go on down the downward path or whether they would make some effort to stem the tide that was forcing it in that direction ... whether they would assert their dignity as workmen."220

Curley produced statistics indicating the profits being made by the mine owners and asserted the men's right to share in the control of the industry. Their chairman suggested that they demand an agreement to settle all disputes: he thought the time had come to resort to opposition. Various speakers referred to the "unfairness" of the proprietors' behaviour in at least two disputes. The meeting passed two resolutions urging the proprietors to make a district agreement and giving fourteen days notice of their intention to cease work until an agreement was entered into.221 The decision of the miners to take such drastic action was reported to have surprised many observers in view of the seemingly friendly conclusion of the conference of July 21st.222

The proprietors claimed that they were being coerced: postponed their decision until "better counsels prevail" and warned the miners that if they took such a grave step "the responsibility must rest entirely with them."223
The strike which ensued lasted thirteen weeks: it was marked by great bitterness; Minmi miners beat the faces of non union labour "to pulp"; demonstrations became unruly; arrests were made, men imprisoned: the police were active; the non-associated collieries made large profits and finally the stoppage was terminated by a compromise settlement.

Gregson claimed to have been greatly surprised by this general strike. If he was then he was less perspicacious than usual: the occasion of the general strike may have been a surprise but the inevitability of such a tactic on the part of the miners should have been obvious. The proprietors, since 1885, had frustrated every attempt by the miners to settle long standing grievances. The secret payments made to those members of the Proprietors' Mutual Defence Association who had been involved in disputes had enabled them to outlast employees who took strike action. They had rejected, without discussion, the system of arbitration favoured by the miners though both sides had found it acceptable in the past. Furthermore, they had erected a system of co-operative resistance to moves to improve conditions or wages at the various collieries. In fact the proprietors had closed every door to the miners in search of satisfaction except the general strike door. They, at last realizing the futility of their position, struck work.

The dissatisfactions of the miners which had committed them to the strike were not ended by the terms of settlement. The system of arbitration, which was introduced, was based on the appointment, by the Chief Judge in Equity, of a referee from outside the industry: a system which the miners regarded with suspicion. The conditions governing the payment of considerations were regularized with advantage to some miners and losses to others and the no-strike clause of the terms of settlement reduced the likelihood of obtaining satisfaction by further strike action. Disgruntled still, the miners accepted the settlement by a majority of only 200 votes in a ballot in which 3,500 votes were cast.

The Minmi men, in particular, were opposed to the settlement which meant a substantial loss to them and voted 203 to 20 against its acceptance. The Minmi seam, their representative claimed, was an extraordinarily difficult seam for between the top band of coal and the next band there were sometimes five inches of stone: in the past this stone had been measured as part of the seam of coal but under the new conditions the miners would be paid 4s. 10d. per ton instead of 5s. 03d. They were the last to accept the agreement and did
not do so until the middle of November, 1888. 228

R. A. Gollan has written about this strike:

"The employers were right in recognizing something different in the attitude of the union leaders. They were beginning to articulate a criticism of the economic relations of a capitalist society." 229

The unionists did question the justice of a situation in which the proprietors were continuing to make big profits while refusing to allow any improvements in the conditions of their miners. As The Wallsend and Glattsburgh Sun also put it:

"There seems to be a very wrong idea in the minds of not only the miners but of many others besides, as to the relation of Capital and Labour ... Capital is spoken of as if it was necessarily antagonistic to Labour." 230

Capital had of course behaved in an antagonistic manner towards labour for at least three years before the 1888 strike. The proprietors had endeavoured to preserve the status quo of 1885 or 1886 in terms of working conditions despite the serious discontent among certain of their employees. Perhaps this was the sense in which James Curley spoke to the aggregate meeting when he urged the miners to action before "the straight jacket" was slipped on. There was, as Gollan has written, "a growing awareness of the inequalities of a system which brought wealth and power to the owners and a bare subsistence to the workers." 231 But in the North in 1886 this was not the basic grievance: the issue was the proprietors' refusal to make adjustments to the conditions of work to satisfy the grievances of the miners. In the northern district it was a long established practice that miners and masters prospered together: high prices meant high wages; but between 1885 and 1888 it became clear that the old balance of power between miners and proprietors had been upset. The miners found their incomes falling while their employers continued to thrive.

John Brown bore a share of the collective responsibility of the Associated Proprietors for he represented the firm and made Brown's own policy until about July 1886. It was probably a small share however, for J. & A. Brown remained a second-line producer and there is no evidence in the records of the Association to suggest that he played anything but a minor role.

While it is impossible to say finally that Jesse Craigson was the prime mover in the development and application of the industrial relations policy of the proprietors between 1885 and 1888, the indications are that
he was and its aggressive quality appears to bear the stamp of his personality. Ironically it appears to have been Gregson's assumption of hostility among the miners which provoked the reality: it was the common enough situation where arms beget arms.

In 1889 was a quite year at Miimi: the mines produced 212,666 tons of coal and the average yield per underground worker was 448 tons.\textsuperscript{232} The rest of the district was also quite under the no-strike clause of the 1888 agreement and as men and masters laboured to make up the losses of 1888 but the year 1890 was once more the occasion for a major industrial disturbance.

Even before the Maritime Strike interrupted production, the Miimi miners and some others were working very intermittently. In February they were taking home "about a day's wage for the pay," and many of the other leading collieries were working less than half time.\textsuperscript{233} In March the Miimi men had a good pay" but in June there was again very little work for them.\textsuperscript{234} In August the Maritime strike closed the collieries which were not reopened until November when pre-strike conditions were observed. Browns' mines having worked broken time until August and then not at all until November, produced only 245 tons per underground worker.\textsuperscript{235}

The closure of the collieries in the North during the Maritime Strike was in sympathy with the cause of the shipping companies which had been in contact with the mine owners when involved in labour disputes as early as 1886.\textsuperscript{236} The miners too, in refusing to load ships manned by non-union labour and thus providing the pretext for the owners' action in closing the Associated Collieries, were acting in sympathy with their fellow trade unionists. There was no particular issue between Northern Proprietors and their workers at this time and when the conference of November 5th, 1890, which arranged the return to work, concluded, it was with the miners' representatives sharing champagne provided by the masters.\textsuperscript{237}

At the end of 1890 Browns left the Association (see page 120) and as has been shown, were able to rapidly increase their sales in the following years. Their miners found that working for a non-associated colliery provided more work and more income than they had generally had prior to 1890. In 1891 productivity per underground worker rose to 483 tons: in 1892 as the work force was expanded the figure was 397 tons: then in 1893 when production fell by 61,000 tons, the number of underground workers was reduced and output per man fall to 351 tons.\textsuperscript{238} (See Appendix IV).

Though Browns were outside the proprietors' association and hence were free to reduce the price of coal, their miners were still part of the District
Union and their wages had to be based upon the District wage scale which in turn rested more or less on the declared price of coal. Browns were not free to reduce their principal cost of production, the miners' wage which was 4s. 2d. in 1891 but fell to 3s. 10d. when the Associated Proprietors reduced to 10s. Od. in 1892.239

In September 1893 The Newcastle Morning Herald reviewed Browns' record since they had left the association and claimed that the Minmi mines had worked exceedingly well and had averaged eight days out of the eleven day pay period but by then the Northern mines were in a particularly severe depression and Browns had been affected too.240 Back Creek and Duckenfield had worked only about half time in the three months before the closure of the former colliery at the end of September. (See p. 137).

Browns' departure from the association may be seen as a revolt against collective dealing between proprietors and the union and between unions generally and proprietors generally. John Brown had tended to see the interests of his firm and his men as common in 1878 and he was to restate the arguments for co-operation in their strongest form between 1913-15 when the Minmi miners broke with the union and put their trust in Browns.241 There is no evidence to suggest that John was motivated in this way in his decision to leave the Vend in 1890, but it is at least probable.

When he returned from England in June, 1893 he spoke at length about depression overseas and the high rates of wages prevailing in the North as compared with other New South Wales fields and in Californian, Japanese and English mines. He suggested that the North could not compete with these rivals while it had to pay 3s. 10d. per ton for the hewing of the coal. In July the price was dropped from 10s. Od. to 9s. Od. and the hewing rate to 3s. 6d.242

In September 1893 the announcement of the closure of Back Creek Colliery was accompanied by another pronouncement from John Brown. He said that trade was being lost owing to the high costs of production, and hence price, of Newcastle coal: the hewing rate would have to fall to 2s. 6d. to allow the trade to be restored. The miners would have to assist in this reduction or the Duckenfield colliery would also be closed.

"The firm had seen company after company sink its capital in this district and where had the money gone? It had been paid away in wages because the miner received too great a share, as he contended, of the value of the coal. Other collieries were heavily in debt, and the firm of J. & A. Brown, so long as he had a voice in its affairs, would never allow themselves to be led into the same position." 243
To add point to his remarks John Brown showed the representative of The Newcastle Morning Herald a communication from San Francisco to the effect that the Vancouver coast miners had accepted a 20% reduction in wages.

The Back Creek and Duckenfield miners asked that the Duckenfield work be shared between all the miners half of whom would work on alternate days. Back Creek Colliery provided work for 380 men and boys and the miners among them were said to be earning an average of 8s. Od. per day: some of the other workers had already suffered a reduction of about 10% and the workforce, apart from the miners, had been reduced.

By 21st September the miners had their answer: "owing to the prospect of trade, the firm cannot grant the request." This typically illogical, since there was no justification for it in terms of the demand for coal, answer can only have been motivated by a desire to bring home to the miners the gravity of the situation or, if a more cynical and militant view of Browns as employers is taken, to the desire to break down the bonds linking the miners together in their union lodge.

In this situation the Mimmi miners, especially those of Duckenfield, unless they were outvoted, acted with generosity. They requested permission to end the cavil under which they were to work for a further six weeks and to ballot again to give everyone a chance of obtaining one of the Duckenfield places on the understanding that those who obtained a place would give 20% of their earnings to the unemployed. Browns agreed to allow this to be done and James Curley commentating on the situation said that he was afraid that the Northern proprietors were taking advantage of a glutted labour market to impose upon their employees.

When the cavil was held 500 miners balloted for 230 places and The Herald suggested that the fortunate 230 would be hard pressed to give up 20% of their wages to the unemployed as the Duckenfield wages were even lower than those at Browns': Duckenfield miners usually earned about 7s. Od. per day.

At this time a letter signed "Faz" and dated Mimmi, 18th September, 1893 appeared in the press. The writer stressed the poverty and hopelessness of the Mimmi people, paid tribute to the good trade of the past which was due to the exertions of Messrs. Brown, observed that the colliery would have been kept going if it had not been run at a loss and suggested "the wisest thing at present for the Mimmi miners to adopt, would be to agree among themselves to help their master out of difficulties and this they could do by allowing a reduction all around ... "

The writer was of the belief that trade "stolen" during the 1890
strike would thus be recaptured. On this point the writer was making
exactly the same error as John Brown had made in his statement of June
24th when he attributed the depression in the industry partly to the
effect of the 1890 strike and in doing so ignored the fact of the high
sales of the intervening year, 1891. "Fax" concluded "I do not think
Mr. Brown would close if this were done."

Having decided to close Browns' Colliery, John gave notice of
dismissal to the whole staff including the managers of the Minmi and
Hexham Engineering workshops. The execution of this decision was not
recorded in the press. Since one colliery was to remain in operation
and would require coal and shipping services it appears likely that this
was merely a preliminary step in the process of reducing wages in these
shops.

The plan to devote 20% of the income of the employed miners to the
unemployed was not fully effective as some miners refused to contribute.
Sixty of those at work refused to pay in the first pay period in November;
consequently the unemployed miners received only 20s. Od. per man for the
fortnight.

In October the Minmi unemployed were offering to work at any wage but
their offer was refused. In December there were applications to the Minmi
Relief Committee from 20 women and 126 children: they received goods to
the value of £18. 10s. Od. from the government grant and some money from
the town itself: the total value of aid to each person for a fortnight was
3s. 10d. Mr. Brunker, M.P. had donated ten sheep and a local butcher gave
50 lbs. of "Christmas Beef." For those who obtained work at Duckenfield,
a regular if small income was obtained in the remainder of 1893.

In December 1893, some of the proprietors, including John Brown met
to consider a new agreement to raise the price of coal. John was alleged
to have argued at this meeting that the proposed price of 8s. Od. per ton
with a hewing rate of 2s. 10d. was insufficient "to meet the state of the
trade." he wanted the hewing rate to drop to 2s. 6d. but Wallsend, Newcastle
Coal Mining Company and Lambton refused to go below 8s. Od. per ton with
2s. 10d. for the miner and carried the day. The Miners' Union held a
district ballot and the miners decided to work at 3s. 2d. per ton; about
1000 miners did not vote. Browns and most other collieries then agreed to
pay 3s. 2d. and the threatened strike was averted.

In terms of output the industry in the North was at its lowest ebb
for the 1890's: wages and prices were low. 1893 had been a year of high
unemployment, mines were closed, miners were cavilled out in other
collieries: there were cases of alleged victimization; and the union
endeavoured to prevent the extension of the tribute system but failed to
Some members of the union sued it for strike pay and obtained it. Perhaps the true state of labour in the district is best conveyed by quoting the union's decision of August 31st, 1893, offering any member in receipt of victimization pay or strike pay, £5 of their entitlement in advance to enable them to leave the district.  

The Defence Association maintained its system of compensation for losses of profit incurred through disputes but the association broke up at the end of a year which witnessed the beginning of three years of continuous industrial strife at one or more of the Northern collieries culminating in the three months general strike of 1896.  

In 1879 the last full year of the Vend of 1873-1880, J. & A. Brown had produced only 107,000 tons and four of the eight Northern mines with annual outputs in excess of 40,000 tons exceeded this level of production.  

In 1892 the output of the Minni Collieries exceeded 300,000 tons for the first time in the history of the firm and it was the largest single producer in New South Wales for the first time since 1868. By then there were seventeen northern collieries with production in excess of 40,000 tons.  

This transformation was the accomplishment of John Brown. He assumed control of a firm which was heavily in debt, took advantage of the favourable Vend conditions to rebuild its finances and then cast off the, by then, unnecessary Vend shield, and forged ahead of his rivals. The decision to leave the Vend, while prompted, perhaps by the gradual decline of the price of coal and by the short term disruption of the foreign trade caused by the strikes of 1888 and 1890, was fundamentally a decision for expansion rather than profit.  

J. & A. Browns' collieries probably earned more profit in 1884, when their coal reserves were reduced by only 168,000 tons, than the firm's mines, collieries, tugs and agency business made in 1892 when output had almost doubled. By 1892 the policy of John Brown was the aggrandisement of J. & A. Brown, and consciously or unconsciously, the pursuit of personal power and prestige. Losses which were incurred in the pursuit of these goals would be endured as long as the existence of the firm was not threatened: profits were desirable, not because they supplemented the personal wealth of John, Alex, William and Stephen Brown, but because they permitted the purchase of new steamships, more powerful locomotives, and new coal reserves. It was already obvious too, that opposition to the firm's welfare, as John Brown defined it, would not be tolerated from either within or without the Brown family.
High Output and Low Income, 1894-1905

The twelve years 1894 to 1905 constituted a period of great expansion, uninhibited competition, and low prices in the New South Wales coal industry. The industry also began to shift towards the Narratfield field as the rich Greta seam coal was tapped.\(^1\)

In 1893 the Australian economy was in the grip of a severe economic depression and N.S.W. coal production fell by a further 500,000 tons to 3,278,000 tons. Though the general depression continued to increase in intensity until 1895, the coal trade improved in 1894 and thereafter it increased steadily until 1898 when output was 4,706,000 tons.\(^2\) By then output was already more than 660,000 tons greater than its previous peak of 1892 but in terms of price, recovery was far from complete. The 1891 output of 4,038,000 tons was valued at £1,724,795; in 1898 4,706,000 tons was estimated to have been worth only £1,271,832. On a per ton basis, value had fallen from 3s. 7.58d. in 1891 to 5s. 4.86d. in 1898, when New South Wales coal mines were producing a record amount and selling at the lowest price in the history of the industry. (See Table 26).

Coal production fell slightly in 1899 as both New South Wales consumption and the intercolonial shipments dropped but thereafter output advanced almost continuously.\(^3\) There was a small reduction in 1902 when the end of the Boer War was believed to have affected exports adversely and in 1904 the Russo-Japanese War disrupted the foreign trade and total output fell slightly again.\(^4\) In 1905 annual production amounted to 6,632,000 tons valued at 6s. 0.50d. per ton, an aggregate of £2,003,461. Prices appear to have improved between 1899 and 1902 when the Mines Department's value per ton was 7s. 5.13d. but then diminished until 1905. (See Table 25 and Figure 16).

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (Round Thousand Tons)</th>
<th>Average per ton to the nearest penny</th>
<th>Value (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1894</td>
<td>3,672,076</td>
<td>6 4</td>
<td>1,155,573</td>
</tr>
<tr>
<td>1895</td>
<td>3,738,589</td>
<td>5 11</td>
<td>1,095,327</td>
</tr>
<tr>
<td>1896</td>
<td>3,909,517</td>
<td>5 10</td>
<td>1,125,280</td>
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<tr>
<td>1897</td>
<td>4,323,591</td>
<td>5 8</td>
<td>1,230,041</td>
</tr>
<tr>
<td>1898</td>
<td>4,706,251</td>
<td>5 5</td>
<td>1,271,832</td>
</tr>
<tr>
<td>1899</td>
<td>4,597,028</td>
<td>5 9</td>
<td>1,325,798</td>
</tr>
<tr>
<td>1900</td>
<td>5,507,497</td>
<td>6 0</td>
<td>2,686,911</td>
</tr>
<tr>
<td>1901</td>
<td>5,968,426</td>
<td>7 0</td>
<td>2,172,929</td>
</tr>
<tr>
<td>1902</td>
<td>5,942,031</td>
<td>7 5</td>
<td>2,206,598</td>
</tr>
<tr>
<td>1903</td>
<td>6,354,866</td>
<td>7 3</td>
<td>2,319,600</td>
</tr>
<tr>
<td>1904</td>
<td>6,019,809</td>
<td>6 8</td>
<td>1,934,951</td>
</tr>
<tr>
<td>1905</td>
<td>6,632,000</td>
<td>6 1</td>
<td>2,003,461</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report for 1914.
When the output of the state is analysed by destination, the relative importance of the three categories of market is revealed. New South Wales consumption exceeded the coal sold either to intercolonial or foreign markets until 1906 so that it remained the most important market in terms of quantity during the period before the Vend was re-established in 1906. In terms of price, however, it remained the least rewarding market.5

The intercolonial markets, principally Victoria, New Zealand and South Australia, consumed steadily more New South Wales coal until 1898 when there was a slight fall followed by two years of rapidly increasing consumption. After three more years, 1902, 1903 and 1904, when shipments were irregular, the interstate trade increased with regularity until 1909, another strike year. (See Figure 17).
The Government Railways of Australia constructed another 440 miles of new line between 1891 and 1901 and the increasing amount of traffic ensured that they would continue to be the largest consumers of coal in Australia. In New South Wales the railways hauled increased quantities of goods and livestock in every year after 1893 despite the long drought of 1895 to 1902.⁶ (See Table 36, page 158).
<table>
<thead>
<tr>
<th>Year</th>
<th>Train Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1893-94</td>
<td>7,169,785</td>
</tr>
<tr>
<td>1894-95</td>
<td>7,594,281</td>
</tr>
<tr>
<td>1895-96</td>
<td>7,779,608</td>
</tr>
<tr>
<td>1896-97</td>
<td>8,130,405</td>
</tr>
<tr>
<td>1897-98</td>
<td>8,340,338</td>
</tr>
<tr>
<td>1898-99</td>
<td>8,846,000</td>
</tr>
<tr>
<td>1899-100</td>
<td>8,894,000</td>
</tr>
<tr>
<td>1900-01</td>
<td>10,766,000</td>
</tr>
<tr>
<td>1901-02</td>
<td>11,649,000</td>
</tr>
<tr>
<td>1902-03</td>
<td>11,548,000</td>
</tr>
<tr>
<td>1903-04</td>
<td>10,400,000</td>
</tr>
<tr>
<td>1904-05</td>
<td>10,468,000</td>
</tr>
</tbody>
</table>

Source: N.S.W. Annual Report of N.S.W. Government Railways and Tramways for 1898 and 1914. in New South Wales

Consumption of coal for gas making increased substantially between 1893 and 1895 when 1,805,812,000 cubic feet of gas were produced and 1905, when production reached 2,683,396,000 cubic feet.  

Steam ships which had consumed large amounts of coal in the past, remained important consumer of coal in the period from 1893 to 1905. Overseas vessels entering and leaving Australian ports had numbered 3,778 representing a total of 4,726,307 tons in 1891; by 1901 the number had increased to 4,028 ships and 6,541,991 tons. In 1905 overseas shipping entering and leaving Australia had increased to 7,444,417 tons. By 1906 this section of the market was consuming over one million tons of coal per annum.

The establishment of free trade between the federated states after 1901 appears to have boosted the coastal shipping trade and it too, continued to be an important coal consumer. N. G. Batlin found that gross capital formation in the Australian shipping industry was increasing substantially in the early years of the 20th century and the number of ships regularly engaged in the coastal trade reflects this: in 1901 there were 113, by 1905 117, and by 1906 there were 122 ships participating regularly in this section of the shipping industry.

The development of these traditional outlets for coal and the continuing trends towards urbanization and industrialization in Australia were providing an assured and growing market for the coal of New South Wales which was by far the biggest producer among the Australian states. In 1904 Queensland raised 512,000 tons, Victoria 121,000 tons, Western Australia 139,000 tons and Tasmania 61,000 tons.

The foreign trade was remarkably even until 1899 with exports remaining in the range 1,103,000 tons to 1,197,000 tons. Then it jumped to 1,392,000 tons in 1900 and suffered two slight annual declines before lifting sharply in 1903 as the Greta seam collieries (See page 166) began to come into production to form the basis of an amazing growth of the export trade after 1905. (See page 234).
The principal trends in the New South Wales coal industry between 1893 and 1906 then, were rising output and falling price: they require a closer analysis before an account of the history of J. & A. Brown is attempted.

During the 1870's and 1880's the proprietors in the Northern District had negotiated agreements which regulated prices and apportioned trade between those collieries which were signatories to the Vends. In each decade, though prices were raised by these agreements, strong pressures from those producers outside the agreements finally destroyed the Vends and a period of competition for trade ensured, the chief weapon in the proprietors' armoury being price reductions. The second Vend materialized after two years of competition: the third Vend did not appear until 1906. (See page 236). Just as the Vends had been the dominant feature of the period 1872-1893, the lack of one dominates the succeeding twelve years.

In 1872 there were six important coal firms in the northern district: each of them produced over 100,000 tons and five of the six agreed to associate in a Vend. The average annual production of these six firms was almost 143,000 tons. (See Chapter Three).

When in 1881, the proprietors came together again, all the eight major producers joined the second Vend. (See page 106). Their average annual production was almost 163,000 tons and if the two smallest concerns with outputs of only 38,000 and 40,000 tons respectively, are excluded the average rises to 203,934 tons.

By 1893, when the second Vend collapsed there were about 60 producers in the North: fifteen of these firms produced more than 40,000 tons in 1893 and of these, nine exceeded 100,000 tons per annum in a year when total Northern output was 649,771 tons less than it had been in 1891. 13

The increased number of producers reduced the power of the leading firms to control the industry: it had been difficult to obtain the agreement of eight firms to associate in a Vend in 1881: it was even more difficult to persuade fifteen to combine in 1893 and subsequently. The Vend of 1906 was achieved in the face of a new threat to the industry posed by the entry of major shipping companies into coal mining, (see page 236), but before then animosity between some proprietors, the diversity of coals and the sheer spread of the industry over a vast area in the Hunter Valley rendered combination for any purpose difficult and made combination to regulate price and, or to apportion trade, almost impossible. 14
Attempts had been made in 1889, 1892, 1894 to unite the Northern companies into a single unit but these, like all those which preceded them had broken down because of the reluctance of some of the largest producers to lose their identity and over the difficulty of reaching agreement on the valuation of the various colliery properties.  

The failure of these attempts to unite the Northern Collieries to secure price regulation and trade apportionment left the industry in the hands of the individual proprietors.

Fortunately, as the records of the Associated Collieries dry up as a source of information, both particular and general, about J. & A. Brown, newspaper and legal sources and some surviving records of the firm make it possible to recount the experiences of the firm in the period 1893 to 1906. In discussing the years between 1872 and 1893 this thesis has had to be concerned to a large degree with the combined activities of most of the Northern proprietors in their various associations. Henceforth it will be possible to concentrate on J. & A. Brown while still endeavouring to place the firm in the larger perspective of the Northern coal industry.

**Table 37: Output and Place of J. & A. Brown in the N.S.W. Coal Industry 1893-1906.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Output (Round Thousand Tons)</th>
<th>Position in the Northern District based on Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1893</td>
<td>246</td>
<td>2nd</td>
</tr>
<tr>
<td>1894</td>
<td>303</td>
<td>1st</td>
</tr>
<tr>
<td>1895</td>
<td>249</td>
<td>2nd</td>
</tr>
<tr>
<td>1896</td>
<td>248</td>
<td>2nd</td>
</tr>
<tr>
<td>1897</td>
<td>207</td>
<td>6th</td>
</tr>
<tr>
<td>1898</td>
<td>329</td>
<td></td>
</tr>
<tr>
<td>1899</td>
<td>321</td>
<td>3rd</td>
</tr>
<tr>
<td>1900</td>
<td>322</td>
<td>3rd</td>
</tr>
<tr>
<td>1901</td>
<td>332</td>
<td>3rd</td>
</tr>
<tr>
<td>1902</td>
<td>405</td>
<td>1st</td>
</tr>
<tr>
<td>1903</td>
<td>573</td>
<td>1st</td>
</tr>
<tr>
<td>1904</td>
<td>606</td>
<td></td>
</tr>
<tr>
<td>1905</td>
<td>652</td>
<td></td>
</tr>
<tr>
<td>1906</td>
<td>700</td>
<td></td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Reports for 1893-1905.
FIGURE 18: OUTPUT OF FOUR PRINCIPAL NORTHERN COLLIeries 1892-1905

Browns
Wallsend
Newcastle Coal Mining Co.
A. A. Company
The dissolution of the Vend does not appear to have affected Brown's output adversely as they improved their position among Northern mines in 1894 to once again lead the field as they had done in 1892. The year 1893 had been difficult for the Mimai Collieries as Australasian, New South Wales and Foreign markets took less coal with the biggest drop occurring in the foreign trade which fell by 198,000 tons in 1893. (See page 125).

When the foreign trade lifted in 1894 by 278,000 tons Browns' production increased by 57,000 tons despite a virtually stable inter-colonial trade and a smaller rise of 103,000 tons in N.S.W. consumption. The reduction of output at Mimai in 1893 and the strong improvement in 1894 demonstrate the dependence of these collieries on the foreign trade.

J. & A. Brown then suffered an eclipse as the Australian Agricultural Company, the Newcastle Wallsend Company and the Newcastle Coal Mining Company increased their outputs to reach individual peaks of 237,000 (1899), 369,000 tons (1895) and 371,000 (1901) respectively, before Brown's re-established their supremacy in terms of output in 1902 by bringing the Greta Seam mine, Pelaw Main into production.

The Environment Under Control: 1896 - 1901

In terms of regularity and hence of economy of working, the Mimai collieries of J. & A. Brown, probably never bettered their performance in the period from July, 1896 to 1901. (For implications for labour see page 205).

In this period the ability of Browns to sell their coal seems to have approximated the ability of their mines to produce it. Of the 248 working days of 1897 for which records are available, the two Mimai collieries worked 224\(\frac{1}{2}\) days: their performance was improved in 1898 when both mines worked 256\(\frac{1}{2}\) days of a possible 280 days. In 1899 these two mines worked 264\(\frac{1}{2}\) days and in 1900 they both worked full time for the 257 working days for which information is available. In 1901 they lost 30 days.

The production of coal in these years was also remarkably even: 301,000 tons in 1897, 329,000 tons in 1898, 321,000 tons in 1899, 322,000 tons in 1900 and 328,000 tons in 1901.

In previous periods of prosperity, Browns and other colliery proprietors had allowed their work forces to build up until their employees suffered falling incomes: in the years from 1897 to 1901 this trend did not develop and though there were slight fluctuations in the size of the underground
work force the output per underground worker was sustained at between 494 tons and 553 tons per underground employee. 20

The successful manipulation of the factors of production at their disposal in these years was an impressive achievement. It appears to have depended in the first place upon the conduct of Browns' foreign trade: in the second place to good colliery management and thirdly, to the docility of the Mimi miners.

During these years Browns usually kept a backlog of shipping waiting in Newcastle Harbour to take Mimi coal. In January 1897 The Newcastle Morning Herald reported that Browns had hardly missed a day since the 1896 strike and that there was every indication of plenty of work for months to come. 21 In July 1897 there was a lull in the activity of the collieries but the newspaper assured its readers that there were many vessels listed to arrive to take Browns' coal. 22

In September 1899, when the other collieries dependent on the foreign trade were beginning to lose time, Browns were the exception and still had many ships in port or listed to arrive. 23 In December of the same year Browns were reported to be steadily working through the fleet of ships waiting to take their coal. 24 Foreign trade shipments from the port for December 1899 amounted to 52,119 tons of which Mimi supplied 15,119 tons: no other company exceeded 6,500 tons. 25 Of the 52,119 tons, 15,119 tons were booked by Browns' Agency, 10,038 to the Agency of Scott Fell and Company and 10,008 to the Earp Gillam Agency. 26

In January 1900 the foreign trade of the district was reported to be at a standstill but Browns were working full time, the only collieries to be so engaged on foreign trade vessels. 27

A hint of the methods used to ensure such continuity comes from the letter of a rival colliery proprietor in February 1898, when 6s. 9d. was the ruling price for good quality Northern coal in the foreign trade and Browns had been chartering a large number of ships for the West Coast of South America.

"They generally outbid everybody else in freight. I suppose they are trying to make their coal the leading one there. We cannot go into such heavy shipping speculations." 28

It is unfortunate that evidence of Browns' profits for this period has not survived.

Even when there were ships waiting for coal there were many factors
which could interrupt the working of the mines. In May 1901 a number of Mimmi miners lost 1½ days work owing to an accident to the haulage machinery at Duckenden: in September 1898 a southerly gale brought a sufficient number of ships to port to employ all the mines but its persistence prevented them being moved to the loading berths and time was lost. In 1897 2½ days work at Mimmi were lost due to the funeral of Alick Brown and floods which blocked the railway line. On many occasions it was slowness of the unloading of ballast which delayed the working of the collieries.

The Mimmi collieries do not appear to have been stopped because of industrial disputes between the 3rd July, 1896, the strike, and the end of 1900, perhaps because of the continuity of work and the regularity of incomes or because of the weakness of the union. No simple explanation is possible but a more detailed examination of the industrial relations of the period is included below. (See page 205).

In one sense these years of full work at Mimmi justified John Browns' concept of the unity of interest of colliery proprietor and miner. The proprietor provided employment and a regular income and the miner gave his labour, accepting the wages and working conditions dictated by the exigencies of the trade and by his employer, at least without strong protest. Perhaps these years could be regarded as a period of team work, with growing trust on both sides: a last 19th century interlude with masters and men accepting the role assigned to them by the times. This situation was challenged by the events of the new century but was probably never completely destroyed at Mimmi: it never appears to have existed at Pelaw Main Colliery which was a 20th century mining venture in every sense.

Browns' decision to develop a Greta seam colliery was perhaps the most important single decision the firm ever made. It was a decision which ensured their continuity as major coal producers in the North and their success prompted others to make the same move so that this important coalfield developed rapidly.

Professor Edgeworth David had carried out geological explorations in the Maitland district in 1866-7 and had proved the Greta Seam which was to be the basis of the Northern coal industry for the first half of the 20th century. Subsequently various companies had endeavoured to exploit the Greta Seam and the East Greta Company managed to survive particular geological problems such as discouloration of coal and a steeply inclined seam. One of the ventures which failed was the Richmond Vale Colliery which was first developed in 1890 by a syndicate which sank a shaft but failed to float the company they needed to finance the development of the 4524 acres of freehold property. It appears to have been offered for sale in 1891 for £50,000 but was not sold. In 1897 John Brown purchased the property for £39,500 or slightly less than £9 per acre at a public auction in Newcastle.
This price was described as the usual price for agricultural land: it was brought into production in 1913 and had produced 14,362,000 tons of coal by 1965. The estate however, had been increased by 1919 by the addition of 254 acres freehold and 640 acres of leasehold land. The whole of the purchase price appears to have been borrowed from the Union Bank and had not been repaid in 1902, an indication of the low profits of the 1890's.34

When Browns approached the task of developing Richmond Vale they found that geological conditions demanded that the estate which became Pelaw Main Colliery be developed before Richmond Vale. As Richard Thomas explained in an affidavit in 1909, he and John Brown inspected the Pelaw Main estate to assess its coal bearing potential and its proximity to Richmond Vale.35

"which being to the dip of Pelaw Main would be in danger of flooding if Pelaw Main was acquired by any other person and insufficient barriers left therein. I consider that it was proper mining to develop and work Pelaw Main before developing Richmond Vale."

Browns bought the Stanford portion which adjoined their Richmond Vale property in February, 1900, for £15,000: it was comprised of eight Crown Mining Leases totalling 2589 acres. The East Greta Company agreed to carry the coal from the new mine until Browns' proposed, Richmond Vale Railway could be built to link the new mine with the firms' Mimi Hexham line. (See Map, Appendix V) and by March 27th 1900, John Brown had purchased the necessary rails and fishplates to enable the mine to be developed.36

By the end of 1901 there were 73 men at work on Pelaw Main and the first sample of its coal had been received with enthusiasm in San Francisco. Uneven progress was made during 1902 and provoked John Brown who criticized the work of the manager, Richard Thomas. Hogue came to his defence paying tribute to the rapidity of the development of the mine in view of the great problems encountered there with water and a dyke of stone which blocked the development of one of the tunnels. At that stage the mine was producing about 790 tons of coal per day.37

In 1902 the decision to install machine cutters was taken and the first of them were installed and tested before April 27th 1903, when they were described as "a phenomenal success."38 John and William Brown proposed to use them at Mimi too but their mine managers advised against it, because the seam was unsuitable and the limited life of the mines there did not justify the expense.39

Browns experimented with two machine cutters, the Jeffrey and the Ingersoll and came to prefer the latter because of its manoeuvrability.
and its lower consumption of power. They then increased the number of Ingersoll cutters in accordance with the advice of their mine manager.40

The Jeffrey Chain Breast Machine had a sawing action and made a clean cut of its own width so that coal could then be shot down: it proved to be cumbersome, suffered several breakdowns which took from two to six shifts to repair and proved to be unsuitable where impurities occurred in the seam where the floor was irregular or where the roof needed close support as it required a clear space of 10 to 12 feet from the coal face for effective working.41

The Ingersoll Machine cutter had a punching or percussion action which drove a fish tailed pick into the face of the coal thus cutting across an 8 yard bord, 5 feet 6 inches deep into the coal and from 6 inches to 14 inches thick in from 2 to 2½ hours.42

Both these machines were powered by compressed air brought from the surface by steel pipes and attached to the machine by rubber hose. A contemporary newspaper suggested that compressed air-driven cutters were more expensive to install and to maintain but safer in the event of gas appearing in the mine.43 (See page 270.) A compressed-air driven boring machine followed the coal cutters and was used to drill holes for the explosives used in bringing the coal down from the seam.44

The cost of the 17 machines in use in Pelaw Main in February 1904 was reported to be £10,000 but there is no evidence in the papers of the firm to support this claim.45

The opening of Pelaw Main created several problems for Browns. There were labour difficulties and they are dealt with below (see page 218): there were also a transport problem which was largely financial and, of lesser importance, a problem arising from the disparity in the quality of the Minmi and Pelaw Main coals.

The growing output of Pelaw Main which had to be transported on the East Greta Company's line at 7d. per ton involved Browns in the payment of something like £2,800 on an output of 96,000 tons in 1902 and the necessity of sharing this line with other collieries limited the output of the mine by slowing the transport of coal to the port of Newcastle or to Hexham.46

By October, 1903, payments to the East Greta Company were at the rate of £9,000 p.a.47 In these circumstances Browns decided to push ahead with their own railway (Map, Appendix V) which they believed would effect a great saving in time, money and rolling stock. The specifications for the forty miles of line were complete by 7th July, 1902. Browns were planning to employ labour to do the clearing, fencing and gates and they were also to supply the sleepers, rails and fishplates and all the timber that could be cut from their own properties. The cuttings and embankment works were to be let out on contract at an estimated cost of £35,750.48
Browns approached their bankers, the Union Bank prior to 9th June, 1902, for a loan to enable the railway to be constructed. The bank offered to advance £70,000 on the security of Richmond Vale estate and Pelaw main colliery but not at the 4% interest rate and term of five years that John Brown was demanding. The bank stipulated 5% and three years, professing their normal willingness to lend money to Browns but pleading the unfavourable economic prospects as an excuse. Browns threatened to take their account away in protest against these terms but the terms were not improved.\textsuperscript{49} The Bank defended itself by asserting that they were already offering J. & A. Brown, their foundation customers in Newcastle in 1879, the money at from 1% to 1½% lower rates than they applied to other loans. Browns were also asked to give an assurance that they would repay in 1903 the £40,000 the Bank had lent for the purchase of Richmond Vale if the further £70,000 was advanced.\textsuperscript{50}

Despite Hogue's continuing exhortations to John Brown to push on with the railway and his assurances that it would pay for itself in a short time, John's approval of the Bank's conditions appears to have been slow in coming and work did not begin until February, 1904.\textsuperscript{51} In the meantime, several other companies had begun to open up mines on the Maitland field.\textsuperscript{52} By June 1904 there were 750 men engaged in the work and their fortnightly wages amounted to £2,500. The total cost of the work was expected to be £80,000, only half the cost claimed in William Browns' 1903 petition to the Legislative Assembly against the payment of miners by tonnage.\textsuperscript{53} It was expected to be in operation by March, 1905.

The coal from Pelaw Main made a deep impression on both customers and rival producers. Its quality was revealed as many of the older Newcastle field collieries were nearing exhaustion and its reception by coal buyers and the ease of mining it must have influenced some of the other companies towards making the move to the Greta seam.\textsuperscript{54} Hogue wrote to John Brown in 1902:

"The more you send Pelaw Main into the foreign markets, the less chance you will have of selling Duckenfield" and

"Wherever you put in a cargo of this coal, it is good-bye Duckenfield: so you must be careful to nurse the trade until Pelaw Main can meet the demand."\textsuperscript{55}

When Pelaw Main coal was tested in Browns' tugs in the same year it produced results which carried Hogue into hyperbole as he forecast that Browns would sweep the whole Australian market with this coal

"and there is coal to last for 200 years at a million tons per annum."\textsuperscript{56}
When the Pelaw Main coal was analysed in 1903 it revealed the following characteristics:

<table>
<thead>
<tr>
<th></th>
<th>Pelaw Main</th>
<th>Mimi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture</td>
<td>2.1%</td>
<td>2.02%</td>
</tr>
<tr>
<td>Ash</td>
<td>3.1%</td>
<td>8.63%</td>
</tr>
<tr>
<td>Volatile Hydrocarbons</td>
<td>41.5%</td>
<td>35.1%</td>
</tr>
<tr>
<td>Fixed carbons</td>
<td>52.3%</td>
<td>54.25%</td>
</tr>
<tr>
<td>Sulphur content</td>
<td>0.708%</td>
<td>0.486</td>
</tr>
<tr>
<td>Evaporative Value</td>
<td>13.6 lbs.</td>
<td>12.7 lbs.</td>
</tr>
</tbody>
</table>

The tests on this Greta Seam coal reveal both its strength and its weakness: it burnt with great heat but too quickly for general steam use. Pelaw Main coal produced its best steaming results when it was mixed with another coal which had the effect of slowing it down. As a gas producing coal it was of the highest quality and had an unusually low ash content even by modern Greta Seam standards. It was as gas coal producers that the South Maitland Collieries made their reputation.

The Mimmi coals were deteriorating at the time of Pelaw Main's development. One of the tunnels was producing such a dirty coal that twelve men had to be employed to break up lumps of coal to remove the impurities. The smallness of the coal then evoked complaints from some customers and Hogue commented that it was destroying Browns' reputation:

"Duckenfield is becoming more and more difficult and expensive to work, especially at the New Tunnel and there is no getting away from the fact that the quality of the coal is deteriorating."

The awareness of the deterioration of the Mimmi coal was probably heightened in both producers and consumers by the qualities of the new coal, especially by its cleanness. The future of the older Newcastle Field Collieries was prejudiced by the move to the Greta Seam. Had Browns not made the move their future would have been at stake: had they moved with more speed and developed the railway and the colliery simultaneously they could have made much more of the advantage of being the first to introduce a coal of this quality into the Australian and foreign markets.

As Foreign and Australasian trade prices dropped after 1902 Browns did not make the most of their opportunity. Caution or lack of finance prevailed and it was not until 1905 that the colliery railway was complete.
Pelaw Main was acquired, developed and managed for some years as the property of the brothers John and William Brown. The income from its coal was banked in a separate account in the names of these two and was not available for use by J. & A. Browns' management in New South Wales though there appears to have been no firm separation of the costs of transport, for example, between the two concerns though after 1905 Pelaw Main coal was transported on J. & A. Brown's Railway and J. & A. Browns' machine cutters were repaired at J. & A. Brown's workshops. This ownership by the two brothers could never be justified as the profits of the firm had not been distributed in accordance with the legal obligations of the trustees. Pelaw Main was eventually merged into the assets of J. & A. Brown by court order during the legal struggle between John and William over the control of J. & A. Brown.

By decreeing that the income from Pelaw Main should not be available to the management of J. & A. Brown, John Brown added to the financial difficulties of the firm in a difficult period. In 1904, when Browns' total output was 606,000 tons and they also sold small quantities of coal acquired from other mines, they sold 338,607 tons of coal in foreign markets at a loss of £385. 1s. 3d. (see page 180). In 1905 their output increased to 652,000 tons but they disposed of 350,065 tons in foreign ports at a loss of £17,342. 14s. 5d. The profit rate of the remainder of their output is unknown but much of it must have been consumed in New South Wales where prices were usually lower than in either the foreign or Australasian trade but where there was no risk of loss arising out of charter and other export costs.

<table>
<thead>
<tr>
<th>Year</th>
<th>Australasian</th>
<th>Foreign</th>
<th>Australasian &amp; Foreign</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1903</td>
<td>6s. 3d.</td>
<td>10s. 4d.</td>
<td>9s. 3d.</td>
<td>7s. 4d.</td>
</tr>
<tr>
<td>1904</td>
<td>6s. 0d.</td>
<td>9s. 8d.</td>
<td>8s. 8d.</td>
<td>6s. 8d.</td>
</tr>
<tr>
<td>1905</td>
<td>7s. 9d.</td>
<td>8s. 3d.</td>
<td>8s. 0d.</td>
<td>6s. 1d.</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report 1914.

The large consumers, such as railway departments, gas companies and shipping companies usually bought their coal at very low prices and these make the average values of the Mines Department unrealistically low when it comes to estimating the actual prices charged by coal companies. The generally lower prices of Western and Southern coal also depresses the average figure below the prices obtained for the best Northern District coals.

However, Browns won the Sydney Gas Company's Contract for the three
years 1904, 1905 and 1906, in conjunction with the Hetton Coal Company and this meant supplying large quantities of Pelaw Main coal at 10s. 3d. per ton delivered in Sydney.\textsuperscript{65}

It should be noted that the tug boat fleet was being run at a loss in the few years prior to November 1903 when Hogue arranged with Penwick and Company to share the Sydney business on a two thirds for Browns, one third to Penwicks, basis.\textsuperscript{66}

The period of continuous output culminating in the improved prices of 1901 and 1902 appears to have assisted Browns to acquire and develop a new mine but the following years were anything but golden for J. & A. Brown.

\textbf{The Market for Browns' Coal.}

J. & A. Brown sold virtually no coal to interstate ports until 1903 when they attempted to break into this trade. (See page 181). They sold only 37,000 tons there in 1904 and in 1905, the aggregate of their interstate trade was 48,000 tons.\textsuperscript{67} Browns' total production in 1904 and 1905 was 606,000 and 652,000 tons respectively. (See Table 37).

The bulk of their coal was consumed in New South Wales or shipped to foreign markets. About the home state trade nothing is known except for the years 1904 and 1905 when by a process of subtraction of known interstate and foreign trade from total production, an indication of the size of their home market may be obtained.\textsuperscript{68}

\begin{tabular}{|l|l|l|}
\hline
& 1904 & 1905 \\
\hline
Browns' total output & 606,000 & 652,000 \\
Less their interstate and foreign ventures & 376,000 & 398,000 \\
\hline Balance & 230,000 & 254,000 \\
\hline
\end{tabular}

Browns' foreign ventures, unless they used "ventures" in a peculiar sense, would not include any of their coal shipped from Newcastle after having been sold F.O.B. to a shipowner or to the charterer of a ship. Such "ventures" would include some shipments of coal from other collieries to fill orders for which Browns' coal was either unsuitable or which they could not supply in time. Some coal was probably also going to New Zealand which was not listed in "Interstate Ventures." It is not possible to be precise but it would appear that Browns were probably selling about 200,000 tons of coal per annum in New South Wales in the years 1904 and 1905. The interstate trade took up 37,000 and 48,000 tons and the remainder went to foreign ports.

The principal foreign markets for New South Wales coal in the period from 1894 to 1905 were still the United States, South America and certain
Asian and Pacific Islands ports (See Table 39).

### TABLE 39: DISTRIBUTION OF N.S.W. COAL EXPORTS 1891-1905
(Round Thousand Tons)
(Quinquennial Averages)

<table>
<thead>
<tr>
<th>Period</th>
<th>New Zealand</th>
<th>Pacific Isles</th>
<th>Asia</th>
<th>North America &amp; South America</th>
<th>Others</th>
<th>Incl. New Zealand</th>
<th>Excl. New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891-1895</td>
<td>163</td>
<td>137</td>
<td>182</td>
<td>289</td>
<td>266</td>
<td>21</td>
<td>1,057</td>
</tr>
<tr>
<td>1896-1900</td>
<td>171</td>
<td>235</td>
<td>267</td>
<td>235</td>
<td>449</td>
<td>17</td>
<td>1,374</td>
</tr>
<tr>
<td>1901-1905</td>
<td>262</td>
<td>404</td>
<td>233</td>
<td>200</td>
<td>567</td>
<td>55</td>
<td>1,721</td>
</tr>
</tbody>
</table>

Source: K. H. Burley "The Overseas Trade in N.S.W. Coal and the British Shipping Industry" Page 381.

San Francisco received most of the Northern coal going to North America but the growing popularity of British Columbia coal which was considerably cheaper (See page 175) than New South Wales coal and the increasing use of oil in stationary engines and for railway locomotion were gradually decreasing the importance of New South Wales coal in this market. The falling total coal supply to San Francisco after the 1891-1895 quinquennium (See Table 40) appears to have been due to the increasing use of oil. (See page 172).

### TABLE 40: THE SAN FRANCISCO COAL SUPPLY, 1861-1914
(Quinquennial Averages)
(Round Thousand Tons)

<table>
<thead>
<tr>
<th>Total coal supply</th>
<th>% of total supply imported</th>
<th>% of total supplied by N.S.W.</th>
<th>% of imports received from British Columbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>('000 tons)</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>1861-1865</td>
<td>134</td>
<td>34</td>
<td>8</td>
</tr>
<tr>
<td>1866-1870</td>
<td>275</td>
<td>34</td>
<td>19</td>
</tr>
<tr>
<td>1871-1875</td>
<td>449</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td>1876-1880</td>
<td>615</td>
<td>50</td>
<td>16</td>
</tr>
<tr>
<td>1881-1885</td>
<td>905</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td>1886-1890</td>
<td>1322</td>
<td>59</td>
<td>20</td>
</tr>
<tr>
<td>1891-1895</td>
<td>1998</td>
<td>55</td>
<td>13</td>
</tr>
<tr>
<td>1896-1900</td>
<td>1560</td>
<td>53</td>
<td>13</td>
</tr>
<tr>
<td>1901-1905</td>
<td>1202</td>
<td>55</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: K. Burley: The Overseas Trade In N.S.W. Coal and the British Shipping Industry, 1860-1914.
Though it has not been possible to acquire statistical evidence of the growing use of oil in the San Francisco area in this period, there is abundant other evidence of its widespread use in railway locomotives. The American publication "The Railroad Gazette" for the years 1900 and 1901 has frequent references to the building of locomotives equipped with oil burners and articles dealing with technical problems arising from the use of oil also appear.

In November, 1900, the San Francisco and San Joaquin Valley Railway in California was consuming oil at the average rate of 677 barrels per day and the Southern Californian line locomotives were consuming an additional 843 barrels daily. Large oil tanks were being constructed to serve the locomotives on these lines. Oil was coming into general use in those areas which were either distant from sources of good quality coal or situated within economical reach of oil fields.\(^5^9\)

Voluminous surviving correspondence between R. G. Hogue, J. & A. Browns' representative in London for two years and then in San Francisco for eleven years, and John Brown permits a description of the methods used in the prosecution of the firm's foreign trade in the years 1899-1902.

The city of San Francisco, Hogue's place of operation, consumed about 1,200,000 tons of coal per annum in this period (See Table 40). This was supplied from England, Australia and Japan and from the coast mines of British Columbia. Foreign coal was usually carried to this port by vessels seeking grain cargoes for Europe. When such cargoes were not available the freight rates asked for the carriage of coal to San Francisco tended to be too high to permit foreign coal to be sold in competition with North American coal.

Consequently in January 1898, Hogue reported to John Brown in London that after a dry season there was a great coal shortage. Freights to the port from the foreign suppliers were prohibitive and English anthracite coal had been excluded by the imposition of an import duty. In these conditions Hogue cabled to Newcastle asking that Browns' "S. S. Duckenfield" be loaded for Honolulu where her cargo would bring $5.40 per ton; she was to load sugar at $2 per ton of 2,000 lbs. for San Francisco and then be employed in the local coastal trade while freights ruled high.\(^7^0\)
The Newcastle office did not despatch the "Beckenfield" but offered him the chance to charter the "Queens Veritas" at 15s. 6d. per ton: he accepted her for the Honolulu sugar industry market where he expected her cargo to bring 25.50 per ton. In explaining his decision he described how the Alaskan business boom was taking ships from their normal pursuits and making coal tonnage scarce. 71

This is an interesting example of the uncertain nature of the foreign trade which was at times at the mercy of phenomena such as wars, gold strikes, plagues, harvests, both good and bad, gales and calms, and the activities of customs officers in foreign ports. Of course these phenomena could operate in favour or to the detriment of the Newcastle foreign coal trade.

When San Francisco suffered a third consecutive dry season in 1899 the business of the port was paralysed with few foreign ships available for charter to that port except at rates considered prohibitive by Hogue. The local mines were booming in these conditions. He added

"We shall want more tonnage for Honolulu very soon and I don't know where it is to come from, as there is a very little lumber tonnage now available from the colonies." 72

The lumber trade between the West Coast of North America and Australia provided a good opportunity for the establishment of a round trip trade in lumber to Australia and back with coal: Hogue advocated this but John Brown would not take up his suggestion. Subsequently a San Francisco firm J. J. Moore established a trade of this nature but though able to obtain second grade Northern coal at extremely cheap contract rates they appear to have suffered heavy losses in 1901 and 1902 and to have withdrawn from the trade. Hogue alleged that Browns had

"killed Moore at Honolulu by appointing Irwin agent." 73

In 1899 Hogue was offering to sell coal in the Hawaiian Islands in either of two ways. 74 Browns would charter the necessary vessels and despatch the coal to Hawaii charging the customer the charter rate plus the Newcastle F.O.B. price for the coal with Browns retaining the brokerage accruing according to the charter party. Alternatively they would enter a contract with the customer to supply his yearly coal requirements at a fixed C.I.F. price and ship the coal as it was needed.

If the first system was accepted the customer bore the risk that freight would be high and his coal costly; in the second Browns undertook to supply at a fixed rate and the level of their returns on the coal sold would depend upon
the freight rates prevailing when the charter was effected.

Whichever method was adopted payment was to be made to Browns' San Francisco office in U.S. gold coin at the current rate of exchange or by 60 days sight draft on London on the discharge of the cargo.

When the customer chose the contract system Browns sometimes ran into difficulties: the winning of the Pacific Mail Company's contract for supplying bunker coal to Panama and Acapulco for 1899 and 1900 provided considerable anxiety and some loss for the firm and is worthy of some attention here.

John Brown found it difficult to charter vessels at suitable rates to deliver coal at these ports and he wrote to Hogue suggesting that he interview the principal of the firm to negotiate a release from the contract. Hogue replied,

"Naturally Scheeverin will not talk about relaxing the contract, to say nothing about cancelling it. As for the war clause and fever clause that you speak of, nobody would make such a contract. England is always at war somewhere or other whilst fever is never so bad at Panama as it is at Rio, Santos, Java and many other places and yet ships go there." 75

John Brown continued to complain about this contract and Hogue wrote rather scathingly to him again in January, 1900.

"Your contention is not only absolutely bad in law but it is infinitely worse from the business standpoint. We are not doing business today or in regard to this one transaction. It is the future we have always got to keep our eyes on." 76

His employer had been complaining about their recent losses and Hogue replied that the Pacific Mail contract had yielded £6000 profit in the past

"and now when there are some insignificant losses in sight you want to do something that is likely to knock us out of one of our best connections we have got. You surely have not gone into the figures over the present contract or you would not talk as you have been doing about no more Panama." 77

At this particular time Browns had supplied 17,200 tons to the Pacific Mail Company under their current contract. Some charters had yielded a profit of £318, but others had involved losses of £460 but the coal had been sold for almost 8s. Od. per ton when many of their Newcastle competitors were reported to be selling at from 5s. 6d. to 7s. Od. per ton. Having reviewed the contract in this light, Hogue concluded
"Now I want you, for Heaven's sake, to drop this wretched dispute about a few hundred tons and keep up our good name with the Pacific Mail Company."  

Running through the Hogue correspondence are comments indicating the degree of entrepreneurial ability necessary to keep up sales in the foreign trade. Hogue always began by recognising that J. & A. Brown were principally colliery proprietors and that the first principal of their business activity should be to keep their mines working. He recognised that the accomplishment of this aim involved taking risks. He wrote to John Brown in 1899:

"If you are going to wait until you can do an absolutely safe business the pits are going to stop working. We have got to figure ahead and take chances on our judgement being right."  

In December 1899 he advised John Brown that coal was going to be scarce right through 1900, "if you want to gamble you can take a ship or two from Newcastle to S.F. (sic) also Honolulu. We have got to figure on keeping the pit going. You know the tonnage we have got and you can figure pretty well how it is going to fit in ... If you are willing to take chances and fix at these high rates, go ahead and take whatever you can get your hands on remembering that all we have to do is keep the pit going."  

Hogue then reviewed the grain situation: 800,000 tons of wheat were already in the warehouse and half of this was likely to be carried over into the next season: there was every indication of another good wheat harvest in the coming year and there was also the barley crop. He suggested that John Brown charter vessels in London for the round trip: to Australia with general cargo, to San Francisco with Browns' coal and thence to Europe with grain.  

"At 48s. 9d. per ton it looks good biz."  

Periodically Hogue felt compelled to review his activities in San Francisco, sometimes in response to the criticisms of his employer. These letters yield the only information about Browns' profits in this period and are also very revealing about John Brown.

In April, 1900 he had demanded to know why the San Francisco office was not making the same profits as he was making on coal sold on the West Coast of South America, namely 6d. and 1s. Od. per ton over the cost of freight and the declared selling price in Newcastle. Hogue, in reply complained of the cheaper coal from the British Columbia mines, which were closer and more reliable in supply, and of his competitor, Moore, who was shipping lumber to Australia, buying cheap coal with the proceeds of his lumber sales, thus saving exchange, and then selling the coal in San Francisco at less that $7 (61-8-9) per ton. Despite this competition Hogue stated that he had been able to obtain more than 8s. Od. per ton on most of his cargoes and
claimed that his annual reports proved, that "after allowing you 8s. Od. nett for all your coal, the total cost of running this office is covered by profits more than twice over." He was procuring most of the tonnage he needed and was receiving little help from John in London or William in Sydney. Of the 18 fixtures he had made in the previous six months they had arranged only three. He concluded, "Most people are satisfied with a good thing but you are not. You always want something better... You must be satisfied with a fair thing for you can't get it all no matter how hard you try."

In 1899 the San Francisco Office allowed 8s. Od. per ton for the coal and still made a profit, after deducting all expenses of £1760. Profits for the year 1900 were much better. By July enough ships had been chartered to keep the Mimmi mines going for most of the year and nearly all the cargoes had been sold at high profit. On 1st November, Hogue commented "It is simply marvellous the way things have turned out this year. It is to be hoped that they will keep up for a while..."

But the conditions of 1900 did not last into 1901. In the closing stages of 1900 there were several developments which worried Hogue. The high prices which had been prevailing for English coal, possibly because of the Boer War, were beginning to decline even as the price of Newcastle (N.S.W.) coal was raised from its 1900 price of 8s. Od. per ton to 11s. Od. for 1901. There were also signs that some of the Northern collieries were going to sell their coal for less than the declared selling price and if this occurred Hogue expected to find it difficult to sell Mimmi coal at the full price. The Greta Colliery sold coal in 1901 for 9s. Od. and had to fulfill another earlier contract for between 6s. 6d. and 7s. Od. per ton. Hogue had expected underselling to occur, he himself had considered 11s. Od. too high a price for the San Francisco market but he had not expected it to develop as quickly as it did. He commented, "Unless the miners stop this kind of business the old trouble is going to develop again before long."

Australian coal at $7.50 could not compete with Canadian coal at $5.50 (21-2-9) and oil was also creating a problem as it came into use in stationary engines and the railways which Hogue claimed were converting to it as fast as possible. (See p. 172)

The year 1901, Hogue's last complete year in San Francisco turned out to be the worst year ever for Browns in that market. He and others in the coal trade had chartered long in advance at high freights and then the rates dropped suddenly catching Browns and others with high cost coal.
In April, 1901, having lost heavily on three cargoes which had been sold months before, Hogue stated the case for selling ahead. He thought it essential to do so: Hawaiian consumers demanded six months advanced selling to ensure supplies.

"We have been doing our business with the Islands a long way in advance for many years and making good profits and very few losses." 87

In May, 1901, Hogue was in Honolulu where he had the "Abner Coburn" loaded with Mimi coal. The market was fully supplied, there was no sale for her coal and he considered it would have been "ruinously expensive" to store her cargo. 88 There is no indication in the correspondence of the fate of this cargo but the fate of San Francisco as a market for New South Wales coal is apparent. (See Figure 19). It gradually declined until by 1906 it had fallen below 100,000 tons per annum though there were years when the trade revived because of exceptional circumstances. 89 (See Figure 19).

FIGURE 19: EXPORTS OF COAL FROM NEWCASTLE TO THE UNITED STATES CHILE AND PERU 1894-1906

Source: Annual Reports of N.S.W. Department of Mines 1894-1906.

Chile & Peru

United States
The increase in exports to the United States in 1901 appears to have been due to a sudden increase in the amount of shipping available for charter to North America (See pages 176-7). With freight rates low N.S.W. colliery proprietors flooded the San Francisco and Honolulu market.

The even higher exports in 1903 appear to have been caused by a strike at Dunsmaur's British Columbia mine and to the lifting in 1903 of the 3s. 0d. per ton import duty on foreign coal during a coal strike in Pennsylvania. It was re-imposed in January, 1904. 90

The second of the great American markets for New South Wales coal exports in the period was South America, principally Chile. It consumed more New South Wales coal than any other single market area from the quinquennium 1895-1900 onwards to at least 1914, but the opening of the Panama Canal in 1914, which brought Central and South American ports within easy reach of Western United States coal ports, struck a severe blow against this section of the New South Wales foreign coal trade. (See page 117) Fortunately for those involved in the coal industry, the decline of the North American market was co-incidental with the development of the South American coal trade. (See Figure 19)

The South American trade centred on the port of Valparaiso, Chile, which was a distributing centre for other West Coast ports. In 1903 Chile's own mines were producing about 700,000 tons of coal per annum but this was far from adequate for the sulphide works, factories, steamships, railways, gas works and ironworks serving four million inhabitants. Coal was also in use in South America in gold, silver and copper smelting and mining in 1903. 91

<table>
<thead>
<tr>
<th>TABLE 41</th>
<th>CHILE COAL IMPORTS, 1888-1897 (1,000 Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>% from N.S.W.</td>
</tr>
<tr>
<td>imports</td>
<td></td>
</tr>
<tr>
<td>1888</td>
<td>442</td>
</tr>
<tr>
<td>1889</td>
<td>326</td>
</tr>
<tr>
<td>1890</td>
<td>404</td>
</tr>
<tr>
<td>1891</td>
<td>461</td>
</tr>
<tr>
<td>1892</td>
<td>362</td>
</tr>
<tr>
<td>1893</td>
<td>401</td>
</tr>
<tr>
<td>1894</td>
<td>605</td>
</tr>
<tr>
<td>1895</td>
<td>655</td>
</tr>
<tr>
<td>1896</td>
<td>619</td>
</tr>
<tr>
<td>1897</td>
<td>534</td>
</tr>
</tbody>
</table>

From 1888, when records became available, total Chilian imports of coal increased rapidly but unevenly to be more than double the 1886 figure of 442,000 tons by 1901. By 1908 they amounted to 1,092,000 tons. Shipment of Newcastle coal to South America increased with regularity from 1881 until 1885, then dropped in 1886 and 1887 (see page 104) before beginning a remarkable period of even growth from 1888 to 1892. Neither the 1888 nor the 1890 strike upset this upward trend: possibly because the heaviest coal shipments to Valparaiso occurred in the first half of the year, and these two strikes occurred in the second half.

In 1893 Newcastle exports to Chile decreased by 40,000 tons but another long period of steady growth until 1896 then ensued. The year 1900 brought an increase of 119,000 tons; thereafter the trade continued its upward trend but with more fluctuation.

The generally increased trade to South America over the whole period may be explained in terms of developing demand in the key areas, especially Chile and Peru, the availability of shipping willing to carry coal to South American ports and the increasing capacity of the New South Wales coal industry to supply large quantities of coal for export.

Unfortunately there is no surviving correspondence between J. & A. Brown and their Valparaiso Office: a few references to their participation in the South American trade are all that remain.

In 1894 the A.A. Company's Court of Directors wrote to their Newcastle representative that they had heard two complaints from South America to the effect that J. & A. Brown were ruining the Valparaiso coal trade by undercutting with intent to drive other merchants out of business. In 1898 John Brown was outbidding the other colliery proprietors who were active in the London freight market in chartering vessels for the West Coast of South America so that another proprietor concluded that Browns must have been trying to establish theirs as the leading coal in that market.

In 1903, as Browns introduced their new Pelaw Main coal into the market there were similar complaints about their pricing policy and on another occasion, following the defection of their South American representative C. Kenwick, Browns cut prices in order to prevent his capturing their trade for their rivals.

When the Chilian consul in Newcastle was reviewing the history of the coal trade with his country in 1903 he described Browns and the Wallsend Company as the principal N.S.W. sellers in South America but added that the Caledonian and Newcastle Companies were entering the market as well as some Queensland colliery proprietors.
The details of Browns' exports to the South American market are available for the period 1904 to 1910 owing to the survival of a report on the firm's trade for this period: it appears to have been compiled to demonstrate the degree of profitability of their foreign as compared to their interstate trade. This document reveals that in 1904 and 1905 Browns shipped 245,346 tons and 209,123 tons of coal, as San Francisco and Valparaiso ventures and from the sale of the total of 454,269 tons, the firm lost £17,342 14s. 5d. 98

**TABLE 42**  **BROWNS' VALPARAISO VENTURES 1904-5**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1904</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ships Loaded</td>
<td>58</td>
<td>16</td>
<td>54</td>
<td>29</td>
</tr>
<tr>
<td>Coal Loaded</td>
<td>157474</td>
<td>47072</td>
<td>144233</td>
<td>63477</td>
</tr>
<tr>
<td><strong>1905</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 43**  **BROWNS' SAN FRANCISCO VENTURES 1904-5**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1904</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ships Loaded</td>
<td>35</td>
<td>21</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>Coal Loaded (Tons)</td>
<td>87672</td>
<td>46399</td>
<td>64890</td>
<td>57465</td>
</tr>
</tbody>
</table>

**TABLE 44**  **PROFITS AND LOSSES BROWNS' VALPARAISO AND SAN FRANCISCO VENTURES 1904-5**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1904</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal Sold (tons)</td>
<td>245146</td>
<td>93461</td>
<td>209123</td>
<td>140942</td>
</tr>
<tr>
<td>Profits</td>
<td>£2,495 3s. 5d.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses</td>
<td>£2880 4s. 8d.</td>
<td>£10,630 3s. 0d.</td>
<td>£6,712 11s. 5d.</td>
<td></td>
</tr>
<tr>
<td><strong>1905</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Summary of Browns' Overseas Ventures 1904-1910.

The document which yielded this information does not indicate whether these figures appertain to the whole mining, transporting, selling process or merely to the conduct of the coal agency - chartering side of the business. In view of the losses involved in the shipment of so much coal it would be tempting to conclude that it was the agency but internal evidence suggests the opposite.

The series of losses extends from 1904 to 1906: the next profit was made in the first half of 1907 and profits continued then until 1909 when a series of losses began. The document also reveals that the first profit in the interstate trade did not occur until 1907 and that thereafter, to 1910,
profits were made each half year. The inference is unescapable: the profits after 1907 were due to the increased price permitted by the third Vend: in the years 1904 and 1905 Browns raised and sold 454,269 tons of Minmi coal overseas and lost £17,342 14s. 5d. by so doing.99

Unfortunately the value of the coal was not revealed by the document but the wages and cost book for Back Creek Colliery showed that in 1904 Minmi coal was costing between 4s. 5½d. per ton and 4s. 7½d. per ton to raise. The evidence of the Eogue correspondence suggests that Pelaw Main coal was slightly more expensive in late 1903 before the complete changeover to machine cutters, which probably reduced the cost of the coal in 1904.100 The Minmi cost of production figures did not take into consideration either depreciation or the value of the coal itself.

Both coals had then to be transported and loaded at Browns’ cost: the Minmi coal on the firm’s own line; the Pelaw Main coal by the East Greta Company’s line at a cost of 7d. per ton until Browns own Richmond Vale line was completed in 1905.101

The records of the Mines Department give 9s. 8.30d. and 8s. 3.33d. per ton as the average value of coal sold to foreign ports, other than New Zealand in 1904 and 1905. If this average is based on actual prices and if Brown’s prices were neither the highest nor the lowest charged, this would be consistent with their grade of coal and sales philosophy, the margin between costs and price realized must have been absorbed by the cost of shipping.

BROWNS’ AUSTRALASIAN TRADE.

The New South Wales coal industry supplied almost 32% of its 1894 output to Australasian ports: in 1905 these ports were still receiving 30% of the state’s total output.102 Browns’ interstate trade was insignificant in the period from 1894 to 1905 (see page 170): its share of the New Zealand market may have been more substantial but there is evidence of no more than their participation. Of greater significance was Browns’ attempt to capture a share of the interstate trade which principally involved the states of Victoria and South Australia and to a lesser extent, Tasmania, Western Australia and Queensland.

<table>
<thead>
<tr>
<th>TABLE 45</th>
<th>THE INTERSTATE MARKET FOR NEWCASTLE COAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1894 and 1905 (Round thousand tons)</td>
</tr>
<tr>
<td>Victoria</td>
<td>South Australia</td>
</tr>
<tr>
<td>1894- 607</td>
<td>166</td>
</tr>
<tr>
<td>1905- 818</td>
<td>470</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Reports 1894 and 1905.
In 1902, the Australian United Steam Navigation Company, the Adelaide Steamship Company, Howard Smith Company, Huddard Parker and Company and McIlwraith, McEachern and Company formed the Australasian Steamship Owners' Association which came to be generally known as the Interstate Shipping Ring. The Association was

"to direct and control ... the shipping and coal trade of the above-mentioned Companies"

and

"to direct and control all contracts ... held ... by the companies .. for the carriage of mails, coal, ore, stock or general merchandise, and for the purchase and distribution of coal ..."\(^{103}\)

These companies divided the coastal trade between them, maintained agreed charter and freight rates and passenger fares and endeavoured to exclude other shipowners from participating in the coastal shipping trade, by offering deferred rebates to customers who dealt exclusively with them. The great importance of the coal trade to these companies is demonstrated by an analysis of their fleet in accordance with type of vessel in use. Colliers totalled, 61,000 tons out of their 127,000 tons of cargo and passenger vessels.\(^{104}\)

Browns, as the owners of a small fleet of cargo vessels which could only be used as colliers in a one-way direction, were bound to conflict with the shipping ring but Browns as principal tug operators in Sydney and Newcastle and in ocean towing and salvage work were likely to profit from good relations with the shipowners. Browns too, had much to lose if the Union Steamship Company ceased to use their small coal on the New Zealand run.\(^{105}\)

On the other hand there was the possibility of a share in the very large interstate trade at a time when the San Francisco market was in decline and Browns had opened an expensively equipped modern colliery which produced a high performance gas coal, a grade of coal which they had never produced. When gas coals had been needed in the export trade Browns had offered a Newcastle gas coal, usually Hatton or Stockton.

In 1902, the members of the shipping ring, perturbed by the planned intrusion of an Adelaide firm into their interstate coal trade, sent a representative to Newcastle to try to persuade all the leading coal companies to supply the ring exclusively for three years: in return the coal owners were offered a "fair" price and the division of all the Ring's trade between them. Browns were offered 50,000 tons per annum for three years or 1s. 6d. per ton for every ton taken less than that total.\(^{106}\)
John Brown, in London, reacted with his usual pugnacity: Hogue counselled patience until their Richmond Vale railway, linking Pelaw Main to Browns' Mimi-Hexham Railway and Newcastle was completed, when the increased output of Pelaw Main would enable Browns to heard the shipowners in their interstate dens.  

William Brown, in charge of the Sydney office and entrusted with John's power-of-attorney, doubted the good faith of the Ring and the decision appears to have been to refuse to bind Browns to the Ring as requested but to offer to co-operate particularly with one of its members, the Howard Smith Company Ltd.  

When the Melbourne Metropolitan Gas Company called for tenders for its supply in 1903 it provided the occasion for a final declaration of war between Browns and the Shipping Ring. Howard Smiths were prepared to co-operate with Browns who had an excellent gas coal and as yet had no serious rival on the South Maitland coal field (See page 167) They offered John Brown their most favoured terms and assured him that they would use their influence to obtain the contract for him.  

There were considerable advantages to be had by working with Howard Smith; they could ship coal more cheaply than Browns as they could get freight both ways, they bought their small coal for bunkers from those collieries with whom they had contracts, they had the necessary coal depot and office in Melbourne, they could use the great power of the Melbourne based Shipping Ring in support of Browns' tender.  

Browns also stood to lose the towage business of the Ring if they competed against it. It would have been a sound orthodox commercial decision to have tendered in conjunction with Howard Smith.  

John Brown castigated Smiths and their co-members as untrustworthy and refused to co-operate with them against the advice of R. B. Hogue who forecast that J. & A. Brown would not win the contract: he wrote to John,  

"It will be a big fight but that appears to be right into your hands. .... .... you appear to be satisfied that they can't be trusted and that they must be fought. It is your business but I think it is my duty to report what I have seen and heard (the Ring prefers to co-operate with profit for both sides rather than to compete) and what I believe to be true."  

While Browns were preparing to tender for the Metropolitan Contract a representative of one of the firms in the Ring assured Hogue that one of them would obtain the contract regardless of the nature of the tenders. When the contract went to McIlwraiths who offered Stockton Coal Company's coal, Hogue interviewed the Secretary of the gas company who told him how it had been arranged.
When the tenders were opened, two representatives of the Ring were with the Metropolitan Board of Directors and when it was discovered that Browns' tender was the lowest at 12s. 10d. per ton, delivered, the Stockton Directors were asked to reduce their price, the award of the contract was delayed from the Friday until the following Monday to give them time to reduce their price, then their tender was accepted. By the use of these methods the Ring got the shipping business, the Gas Company was supplied with the cheapest quality gas coal and the Stockton Coal Company further exhausted its reserves for a meagre return. 113

Browns embarked on a full scale fight with the Ring for a share of the interstate trade. They chartered steamers, bought hulks and fitted them up as bunkering depots at Melbourne and Albany, pursued contracts in Perth, Adelaide, Broken Hill and Melbourne and in the last mentioned city they opened an office and "pirated" one of the Ring's leading managers to run it. They also opened a coal yard in Melbourne so that they could contest the Ring's profitable trade with Melbourne's householders who paid from 25s. 6d. to 27s. 6d. per ton for coal. 114

As these preparations were made, John Brown began to doubt the wisdom of his decision and arranged for overtures to be made to the Ring for a cessation of competition in return for a share of the interstate trade. John suggested they demand that the Ring take 370,000 tons of Browns' coal per annum. 115 Hogue once more analysed the position in a letter to John. The Ring were offering to take as much coal from Browns as they alleged their existing contracts allowed them, about 60,000 tons per annum. Hogue showed that Felaw Main coal was almost wholly committed for the year 1904 and that Browns could not possibly supply the amount John Brown demanded. He urged John not to involve the firm in needless costs and to settle with the Ring as it was in its interests to deal fairly with J. & A. Brown. 116

At the height of his indecision, John cabled William Brown, who had negotiated the employment of the shipping Ring's manager and whose protegee he was, stipulating that if an agreement was reached, "Ring must take over steamer (chartered by Browns) and your friend." 117 It is difficult to imagine this gentleman having any prospects in returning to the employment of his previous masters.

The reply of William Brown decided the issue. He informed his brother that regardless of the nature of any offer made by the Shipping Ring he would proceed with his plans.

"I will not vacate position I have taken. Rather than do so I would sooner see all the tugs sold. We feel confident of the business." 118
The die was cast: Browns would persevere with the struggle for a share in the interstate trade.

While this issue was being resolved Hogue wrote to John analysing John's policy regarding the Browns' relationship with the Shipping Ring.

"Now you know your own business best (Hogue did not really believe this) but why all this wanting to fight for a thing you can get for nothing? But if you are going to fight then let it be the real thing. Here is the position matters stand in now.

1. The Ring can't be trusted.
2. We must fight them.
3. The Ring says we don't want to fight. We will give you what you want.
4. No damn fear: must fight for it.
5. Put in for Gas contract - get licked.
6. Ring smiles: told you so.
7. Must have another scrap.
8. Take wharf and coal yard.
9. Ring anxious: see here what is it you want?
10. Answer: you will see bye and bye.
11. Cable from London House (John Brown) Be careful - approach the ring." 119

These steps faithfully summarise the reactions of John Brown to this situation. It is not surprising that Hogue rebutted suggestions from his employer that Hogue had been responsible for the decision to compete with the shipping ring. 120

The consequences of the decision to capture a share of the interstate market rather than to accept the offerings of the Shipping Ring were costly to Browns in the three years 1904, 1905 and 1906. (See Table 46).

<table>
<thead>
<tr>
<th>TABLE 46: J. &amp; A. BROWNS' INTERSTATE VENTURES 1904-1910</th>
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<tbody>
<tr>
<td>No. of Voyages</td>
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<tr>
<td>Coal shipped</td>
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<tr>
<td>Losses</td>
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<td>No. of Voyages</td>
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<td>Coal shipped</td>
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<td>Profits</td>
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<tr>
<td>Losses amounted to</td>
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<tr>
<td>Profits amounted to</td>
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<tr>
<td>Excess of profit</td>
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</table>
Browns cumulative loss over three years of £17,179. 19s. 10d. brought only two comforts, neither of them being of material value. The ventures of 1904-6 established Browns in the interstate trade and they were able to make small profits in each of the years 1907 to 1910 but by the end of 1910 these profits had only exceeded the losses of the previous three years by £2809 and 409,984 tons of coal had been shipped to the other states. The loss of the Shipping Ring's towing business in Sydney and Newcastle should also be considered in any assessment of the Browns' bid for a share of the interstate trade. Secondly, Browns had secured a foothold in the interstate trade despite the Shipping Ring which had been forced to forgo some profits in order to match the low prices quoted by Browns. To John Brown such achievements were not inconsiderable and were certainly not without their satisfactions for he had the ability to so enjoy his opponents discomforts as to be oblivious of his own. In reviewing the results of Browns' endeavours in the interstate trade, the comment of a rival proprietor, made in 1904 as Browns cut their prices in Victoria, appears to be pertinent, "Much competition hath made him mad!"121
The Mines and Miners

In 1889 the N.S.W. Government introduced a Bill to amend the Coal Mines Regulation Act of 1876. It was intended

"to tighten up the safety regulations by increasing the stringency of inspection, by increasing the minimum allowable width of pillars, by increasing the required amount of air, by special provisions for mining under the ocean, by the appointment of special officials to control the lighting and issue of safety lamps, and by reducing the time allowed from the opening of the mine until the completion of a second shaft." 122

In the parliamentary struggles which followed this Bill and its successors were strongly resisted, in the Legislative Council in particular, by the representatives of the colliery proprietors and by other members who objected to such proposals as the eight hour day and the restriction of Saturday work to Saturdays which were not pay days. As a result of this opposition there was no further legislative interference in the industry until 1896 after the Reid Government, though it had an electoral mandate for this measure, appointed a Royal Commission to make an investigation into the condition of the industry and to report upon the proposed Regulation. 123

Among the many expert witnesses who were called by the Commission were R. Thomas, Browns' Mimmi Manager, and several of their other employees or ex-employees. In assisting the Commissioners, whose recommendations were implemented in the Coal Mines Regulation Act of 1896, these witnesses provided a detailed account of working conditions in the Mimmi mines in the early 1890's.

Working Conditions in Browns' Mimmi Collieries

The miners' rules laid down their working hours: there were usually two shifts from 6.00 a.m. to 3.00 p.m. and from 7.00 a.m. to 4.00 p.m. daily. The practice of arranging work in this way was to permit extended hours for withdrawing coal from the mine. In practice, the evidence given by the furnacemen suggested, some miners sometimes began work before 5.30 a.m. and there was no regular pattern about the beginning of the work day. 124 Joseph Cook told the Commission that he had worked at Mimmi for sixteen years and had heard of miners working twenty-one and fourteen hours a day but he had never worked beside them. 125

There was night work in the mines for a few men whose duties included the opening up of new work places and the removal of part of the roof of the main ways in order to increase the height above the 4 feet 6 inches which was the usual height of the workable seam of coal and thus to facilitate the movement of horses and miners to and from the coal face. R. Thomas, Manager of Mimmi had the opportunity to contest this evidence but did not do so in his evidence. 126
The miners entered the mines by tunnels which were also used for the haulage of coal to the surface and the transport of timber, tools and other materials to the coal face which was about one and a half miles from the pit top and about 300 feet below the surface at the deepest part of the mine in 1895. 127

The seam of coal averaged 4 feet 6 inches in height and running through the coal were two "Penny" bands of stone, 6 feet and 3 feet wide. Above the seam were two thin layers of clay and these, with the penny bands and the two portions of inferior coal comprised the one foot of refuse which had to be cleared from the coal and thrown back behind the miners with the small coal which was not being extracted at this time. This refuse was of such volume that it frequently filled up the sides of the roadways in the mine and in some sections of the mine it was common "to have just sufficient egress and entrance for the skip to pass into the bord" owing to the place being filled up on either side nearly to the roof. 128

The Northern miners were usually paid a tonnage rate for hewing and filling the coal. At Mimi the miners' skips varied in weight of coal from ten to thirteen hundredweight with the average being eleven hundredweight one quarter. All their skips were not weighed, a sample of each pair of miners' skips was weighed periodically and the rest were allotted that weight. On this basis the miners, who did not know which skips would be weighed, were paid. It was alleged, before the Royal Commission, that the proprietors weighman was likely to delay weighing after he had established a light "standard" weight for a particular pair of miners. The system was haphazard at its best and at its worst it permitted the miners to be deprived of some of the fruits of their labour. 129

The Mimi proprietors protected themselves against the miner who tended to supplement the coal he hewed with rubbish by the use of a scale of penalties. When this happened the first time the miner was cautioned by the manager: as Curran explained:

"You are compelled to go to the colliery knowing there is no work. You go to the office and they tell you there is no work, you go home, and then you have to see the manager. I have known men to remain at home thinking they were putting in their penance for the offence, and when they came to the mine the day following they were sent home again to suffer the indignity of being sent home." 130

Browns had refused to introduce a regulation dirt scale and insisted on the mine manager being the arbiter. He usually suspended miners for one, two or three days or even dismissed them for this practice, alleged Curran 131 it is significant that the bulk, if not all, of the evidence about the Mimi collieries was presented to the Royal Commission by ex-employees of Browns. On the other hand, Richard Thomas told the Royal Commission
that there had been no complaints at Mimmi about insufficient weighings for three or four years and that "under ordinary circumstances" there were no complaints.\textsuperscript{132}

The two collieries, Duckenfield and Back Creek were separately operated but were linked by common workings: entry was by means of four tunnels, one of which was by 1695 no longer in use. The mines were still ventilated by furnaces though the first fan had been installed in the northern district in 1689 with much improved ventilation. The evidence of the miners' check-inspectors suggests that there were times when particular sections of the collieries were very unsatisfactorily supplied with fresh air. In May, 1891 their anemometers registered no current of air in two headings of one of the Mimmi mines and after the manager failed to carry out his assurance that the supply would be improved the miners asked the inspector of mines to investigate. He failed to do so but a further appeal to his superior, the Examiner, led to a visit by the inspector. The miners complained "This state of things continued for two or three years."\textsuperscript{133} Then the manager was prosecuted for driving boards "from 36 to 39 yards before the air" current after the miners' lodge had put pressure on the inspector to prosecute.

These inadequacies of ventilation seem to have been exceptions: when the ex-check-inspector, Curran was asked if the air current ever failed to reach the requirements of the Coal Mines Regulation Act, he told the Royal Commission that it had failed only on the few occasions he had mentioned. Curran attributed these failures to the desire of the firm to economise even at the expense of the health of the men. It had been the practice in Brown's mines to operate the furnaces during the day only, though operation by night would have involved the consumption of only a small amount of coal and the wages of two extra men. As a result ventilation was inadequate in some sections of the mine until about 8.00 a.m. that is two hours after the furnacemen stoked up the furnaces and two hours after the first miners were supposed to start work.

In one section of the mines there was a continuing problem caused by crushed coal exuding black damp into the travelling road. As Curran put it

"You feel a strangeness in it for the time being, and people who are not strong are affected by it. This black damp is only in the travelling way and it might affect you for ten minutes or a quarter of an hour. A few years ago we had to come home from work for two or three days a week on account of this damp."\textsuperscript{134}

In these conditions Brown's miners hewed the coal and loaded it aboard skips to be hauled away on rails by horses driven by wheelers in much the same way as Mimmi had been worked in the past.

The mine managers were driving the headings and cut-throughs of the
mines by surveyor's methods so that they were driven in straight lines; then the miners were directed to hew eight yard bords leaving pillars of at least five yards in thickness to support the roof of the mines. In practice the miners wandered from these dimensions so that pillars, varied in thickness from two to three feet to eight or nine yards owing to the miners' tendency to "rob the pillars" in order to get easy coal. The supervision of the overseers, whose tasks included keeping the bords straight and thus preserving the dimensions of the pillars, appears to have been inadequate in these mines. When pillars were not sufficiently strong the coal was sometimes impossible to extract and the danger to miners engaged in this work was increased by the likelihood of roof collapse. 135

The Minni Manager told the Royal Commissioners that he did not believe five yard pillars would allow the extraction of the pillar coal

"Because there is not a sufficient margin of strength left. ... As far as I can understand, it is the intention of the proprietors to leave the pillars." 136

He had not recommended, however, that the size of the pillars be increased.

This method of bord and pillar working, which has been savagely attacked by many critics in the 20th Century because of its wastefulness, was already the subject of adverse comment in 1895. One old miner, with 54 years of experience in English and Australian mines, described the system as a national loss and said that in two or three of the mines in which he had worked, half the coal had been left behind. He had removed thousands of tons which had been left in pillars in New Lambton colliery by the proprietors. He suggested that larger pillars would have permitted all the pillar coal to be removed but would have involved the owners in higher costs. 137

Wage Reductions and Industrial Strife 1895-96

These working conditions at Minni in the 1890's were substantially the same as they had been in the 1870's and 1880's and they were occasionally the cause of disputes between the proprietors and the miners but between 1893 and 1895 the dominating issue in industrial relations was the wages question.
<table>
<thead>
<tr>
<th>Year</th>
<th>1893</th>
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<th>1896</th>
<th>1897</th>
<th>1898</th>
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</thead>
<tbody>
<tr>
<td>Tons per Underground Employee Browns</td>
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<td>420</td>
<td>373</td>
<td>457</td>
<td>515</td>
<td>503</td>
</tr>
<tr>
<td>Tons per Underground Employee Northern</td>
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<td>451</td>
<td>469</td>
<td>460</td>
<td>536</td>
<td>537</td>
</tr>
<tr>
<td>Hewing Rates Northern</td>
<td>3s. 6d.</td>
<td>3s. 2d.</td>
<td>3s. 2d./3s. 6d.</td>
<td>3s. 2d./3s. 6d.</td>
<td>2s. 11d.</td>
<td>2s. 11d.</td>
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<thead>
<tr>
<th>Year</th>
<th>1899</th>
<th>1900</th>
<th>1901</th>
<th>1902</th>
<th>1903</th>
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</thead>
<tbody>
<tr>
<td>Tons per Underground Employee Browns</td>
<td>553</td>
<td>494</td>
<td>501**</td>
<td>475</td>
<td>543</td>
</tr>
<tr>
<td>Tons per Underground Employee Northern</td>
<td>521</td>
<td>576</td>
<td>551</td>
<td>514</td>
<td>540</td>
</tr>
<tr>
<td>Hewing Rates Northern</td>
<td>3s. 2d.</td>
<td>3s. 4d.</td>
<td>3s. 4d./4s. 2d.</td>
<td>4s. 2d.</td>
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</tbody>
</table>

* includes miners from both mines though Browns' Colliery was closed from September to December.

** ignores Pelaw Main mine as 46 miners engaged in developing the mine produced only 5,004 tons.

*** not strictly comparable with previous years as machine cutters were introduced in 1903 at Pelaw Main.

+ the hewing rate for this year was 3s. 4d. for first pay period, 4s. 0d. to April and 4s. 2d. to December.

Source: N.S.W. Department of Mines Annual Reports 1893-1903

The district hewing rate which was by custom related to the declared selling price of coal, and which normally represented the minimum rate of pay for the Northern miners, declined from the 4s. 2d. per ton which had prevailed between 1883 and 1891 inclusive, until it reached 2s. 11d. in 1897. It was increased in 1897 and was eventually restored to the level of the 1880's in 1902. The gradual reductions in their wage rates coupled with partial or complete unemployment brought the Mimmi miners into a face to face struggle with their employers in 1895 but even before then there was growing disillusion on the part of the miners.
At the beginning of 1894 Browns' miners accepted a reduction of the hewing rate from 4s. 2d. to 3s. 10d., but again asked that the work available in Duckenfield Colliery be shared with the Back Creek Colliery miners who had already been unemployed for three months. (See page 152). This system would not only have been equitable but would have relieved the strain upon relations between the two groups of miners which resulted from the obligation, sometimes neglected, though voluntarily accepted on the part of those in work, to contribute 20% of their earnings to those who were unemployed.

John Brown again rejected the request, refused to meet a deputation of miners seeking to discuss the plight of the unemployed miners on the grounds that he was "not prepared to recognise the cavilled-out men" and announced that he did not intend to "push" the firm's trade, merely to maintain its connections. He added that Duckenfield colliery could produce all the coal demanded and that he did not anticipate an early reopening of the second colliery. At this time the Nimmi Relief Committee were considering applications for assistance from 40 women and 155 children. The funds available came from the State Government, a grant of £50 and from private donations; the applicants received sums ranging from 5s. Od. to 15s. Od.

The miners found this refusal to share the work inexplicable and in order to force Browns to accept this proposal the District Union Delegate Board authorized a strike at Duckenfield, commenting that they might as well support two groups of men as one. Browns' response was to threaten to close down both collieries for one year. By then the leases of the Nimmi householders would have expired and the implication was that a new work force would then be recruited. Duckenfield was working full time and the Nimmi miners were almost evenly divided over the strike question and no further mention was made of it.

After being closed for 25 weeks Back Creek Colliery was reopened in March 1894: preference was given to former employees and jobs were held open for a time to enable those who were out of the district to return. Only 90 of the 446 men and boys, who had been employed at Back Creek in 1893 resumed at once, as many had sought work elsewhere in the interim. When this colliery returned to work its miners formed a separate lodge without consulting the Duckenfield miners with whom they had previously been united in a common lodge. This move indicates the bitterness of those who, balloted out of work, had endured six months of low income while many of their luckier comrades refused to abide by the terms on which the ballot was to be conducted: that 20% of earnings be donated to the relief of the unemployed. If John Brown's refusal to allow the miners to share the work was intended to weaken their union, and it is difficult to see any other motivation for his decision, it had been entirely successful.
Hereafter the miners of the two lodges balloted for work separately, a situation which Browns had created in 1876, subsequently lost and now recreated. This was a development which cost the Back Creek miners dearly for in October 1894 their mine was again closed by the owners who claimed to be losing money by its operation owing to the low price of coal. By then the mine was employing 400 men and boys.

In February, 1895, when both mines were again in operation Browns' proposed to reduce the payments made to their miners in compensation for the lowness of their coal seam. This proposed reduction provoked a strike which lasted seven weeks and brought industrial relations at Mimmi to their lowest ebb; it was the first strike at Mimmi, apart from general strikes since the strike of 1860 in the earliest days of the District Union. John Brown announced that his mines could not continue to operate profitably unless labour costs were reduced and intimated that it would be pointless to lower the hewing rate for coal as this would immediately be followed by similar reductions by rival collieries. His manager expounded Brown's solution to the problem: virtually to abolish the extra payment per ton previously conceded to those miners who, in the quarterly ballot system known as 'cavilling', drew those working places in the mine where the coal seam was less than the recognised minimum height of five feet. The manager concluded by stressing Brown's desire for harmony between the firm and its employees and by asking for the miners' suggestions.

Clause 4 of the 1895 General Agreement between the Associated Colliery Proprietors and the Miners' Association provided that:

"In cases where the coal to be worked is less than five feet in height or thickness one penny per ton for every inch by which the height or thickness falls short of five feet shall be paid in addition to the standard hewing price ...."

As the two mines at Mimmi operated on a seam which varied in height from about two feet six inches to six feet the operation of this clause was of great importance to the 520 miners who worked there. Brown's proposal involved the reduction of the minimum height of the seam to four feet six inches and the miners claimed that this would affect all but 100 of them and that some of them would lose up to sixpence per ton. The usual daily output of these men was between two and three tons so that their earnings ranged from about 6s. 6d. to 9s. 6d. a day, less about sixpence for blasting powder and lamp tallow. It should be remembered that the mines worked irregularly and that industrial disputes and occasional mine closures due to lack of trade or for alterations to equipment considerably reduced the total earnings of miners. Back Creek for example, was closed for twenty-five weeks in 1894 when trade was slack. (See page 192).
Over 500 miners met on 13th February to discuss this proposal and heard James Curley, secretary of the Miners' Association, explain that their union was too weak and poor to assist them in their struggle. In fact some lodges of the Association were already refusing to pay the levies necessary for the support of striking miners. The Minmi men were urged to oppose the proposal and to amalgamate the two lodges to enable them to present a united front to the proprietors. When the miners agreed to amalgamate their lodges and rejected the proposal to reduce the minimum height of the seam, Browns retaliated by announcing that the change would take place in fourteen days and if by that time the miners had not accepted the new conditions they would not be able to resume work as members of a lodge for 'only individual applications for employment' would be received. The allowing of a further fourteen days' notice is of interest, for Browns had established that their miners, alone in the district, were hired on a daily basis, not on terms requiring fourteen days' notice as at other Northern mines. It is probable that John Brown wished to avoid the risk of precipitating an immediate strike and that he desired an opportunity to build up the pressure on the men to accept his new terms.

Faced with this threat the miners met again and rejected the proposal once more by a majority of 77 out of an attendance of 445. At this stage Browns advertised for non-union labour, and using the need to house these men as an excuse, moved to evict 170 miners and their families from their homes. Eviction was possible under a new tenancy system which came into operation on 16th February: the twenty-one-year leases of the land on which the miners had erected their houses had begun to expire on 31st December, 1894 and despite protests Browns had refused to renew them except on terms which required only seven days' notice of the owners' desire to cancel the occupancy. This threat surprised the miners: it was a tactic which had been employed on the Northern field in 1861 and in England, but was regarded by the newspapers as a new practice. The notices to quit were issued on forms from a printed book which had been prepared for such occasions. As this system did not actually come into operation until 16th February, it is difficult to avoid the conclusion that the management postponed its move to reduce wages until the new system was effective. John Brown's intention to use his control over the miners' houses as an industrial weapon had been demonstrated in January 1894, when, faced with the prospect of a strike, he threatened to close both his mines for a year until the miners' leases expired. (See p. 192).

The miners sought to interview the management on 26th February to argue for a reduction in the hewing rate rather than reduced deficiency payments: they considered it better that all should take a loss than that a minority should bear the whole burden. This proposal was rejected on the ground that a reduction in the hewing rate would be quickly applied in rival mines which would thus cancel out the cost advantage Browns would otherwise have gained. John Brown refused to meet this deputation as, his manager
reported, he had considered all aspects of the matter before arriving at his
decision, which was final. 155 Two days later Browns announced that a great
many workers, including many Mimmi men, who had privately indicated willing-
ness to accept the new terms, had applied for work. One mine would be opened
using this labour when the strike began. The pressure on the miners to
submit was mounting. The miners from Mimmi and the West Wallsend and Seam
mine, both involved in recent disputes over reductions, met to discuss the
situation on 2nd March, and Peter Curran, secretary of Duckfield Lodge,
addressed the assembled miners, saying: "a miner wanted something else
besides to work and grind out his life for ten or twelve hours a day", they
were not yet "on the level of slaves" and had suffered enough reductions and
would not assist the proprietors in their competitive folly. 156

In response to John Brown's requests, which began on 23rd February,
police began to arrive in Mimmi on Sunday 3rd March, 1895. As the hotel
keepers refused to billet them and as all buildings were the property of
J. & A. Brown, they were billeted in the home of Mr. James Brown, who had
died in 1894. By Monday 4th March, when the miners refused to work under
the new conditions, there were twenty-three police in Mimmi instead of the
normal one or two. There were no non-unionists to protect and only two
local miners, six wheelers and a number of shiftmen were at work: the
miners were calm and the police reported that there was no trouble. 157 The
Mimmi miners were paid off on Tuesday 5th March and the first non-union
labour did not arrive until 6th March, three days after the police arrived.

John Brown stepped up his campaign to force the miners to accept the
reduction by confirming his resolve to continue to work Sack Creek with
non-union labour and to close Duckfield, which would not be re-opened
even if the dispute ended. This announcement, by a man who had a reputation
for keeping his word, deprived 300 men of their jobs in Duckfield and
reduced the chances of all Mimmi miners of obtaining positions when the
strike did end and the mine re-opened, for Brown had said that only individual
applications for work would be received. 158 To add to the difficulties of
the miners, the firm refused to allow them to use the colliery railway which
was their usual means of communication with the Northern railway system and
Newcastle. Browns' locomotives continued to haul non-union labour in the
carriages of the N.S.W. Government Railways until they were withdrawn by the
Commissioner. 159

On 11th March the management unshod the Duckfield pit horses and
wound up the cables: an action symbolic of its determination to carry on
the struggle. At this stage an attempt to aid the Mimmi men was made by
Mr. D. Watkins, Member for Wallsend, who raised the issue of police assistance
to Browns in the Legislative Assembly on 13th March, 1895. Watkins regarded
the firm's action in endeavouring to reduce wages as due not to competition
but as "the result of a clearly planned and concocted scheme" to break the miners. He condemned the despatch of large numbers of police to aid John Brown to rob miners of their homes:

"we see the Government are ready to place at the disposal of this man, the whole police force of the colony if he desires." 160

As his speech continued, Watkins drew attention to the fact that the Police Magistrate came to Minmi specially, on a day other than his normal day there, to issue the eviction notices to the miners. He accused the police of acting as labour recruiting agents and saw their occupation of one of Brown's houses as evidence of collusion. Members of the government defended their actions as being designed to protect people and property, but it is significant that in a long debate no word of support for the Browns was voiced. 161 This debate may have helped to enlist the public sympathy on which the strikers depended for gifts of food and money. One of the recorded gifts at this time was by William Arnott, the Newcastle biscuit manufacturer, who gave £14 worth of his products. The press faithfully reported the prayer meetings of the miners who sought God's assistance so that the proprietors' hearts could be softened. 162

As the strike dragged on, the Colonial Secretary and then the Premier endeavoured to intervene to achieve a settlement by arbitration or conciliation, but John Brown refused their offers. One of the factors making it increasingly unlikely that the management would relent was that some other mines in the district announced reductions which were accepted by their employees. 163 A retraction by Browns would have meant a resumption on less competitive terms than they had previously enjoyed.

On 14th March seven miners appeared before the police court at Minmi to show cause why they should not be evicted under the new seven days' tenancy agreements. 164 One of those selected was Peter Curran - ex-Labour Electoral League candidate for East Maitland and the outspoken union leader of the miners' meeting of 2nd March. The other six were well known in Minmi. This move backfired on the owners for its solicitors had to admit an error: they had allowed only five days' notice to quit on their forms instead of the necessary seven days. They had to ask for permission to re-submit the summonses, and gained this, but lost seven guineas costs to the witnesses and their solicitor. 165 When the case again came up for hearing the magistrate found for the plaintiffs and gave each man twenty-nine days to vacate the premises; cost awarded to Browns amounted to nine guineas: three guineas in case of Curran, whose case was heard first, and one guinea in the other cases. 166 The miners had no defence in law, but pleaded the injustice of the system.

Meanwhile the strike continued - more non-union labourers kept arriving but many of those who came defected and the total number employed on the coal grew only slowly. By 30th March, eighty-six men were employed and were producing about one ton of coal a man a day. 167 The unionists maintained
pressure on the newcomers by staging mass demonstrations as they arrived and by the process of 'tin-kettling' them as they moved about their work; the non-unionists faced the threat of a more violent opposition which could have developed at any time.

Violence was done on the night of 31st March when an explosion occurred on the hill behind the quarters of the non-union labourers. The police investigated and, perceiving what appeared to be the glow of a cigarette further up the hill, they rushed to the spot. It was a second explosive and its detonation knocked them over, rendered one unconscious and cut him about in a minor way.\textsuperscript{168}

This incident provoked an outcry from the police, Browns and responsible Minmi elements who considered the explosions as likely to cost them the support of the public. The miners, as a body, denied any connection with them and suggested that it was a harmless freak intended to give the non-unionists a fright.\textsuperscript{169} These detonations were produced by the use of lengths of three inch iron water pipe which was plugged at one or both ends and exploded by blasting powder and a fuse. The police regarded them as home-made cannon.

The police were now strengthened: first to thirty then to fifty with four detectives investigating the explosions and the rest guarding the colliery and its workers. One commentator described the appearance of the town as warlike as so many men were armed, a new iron building was being erected to house 200 men and the colliery premises and railways were being

p.t.o.
On 13th April, Peter Curran, the miners' secretary and their treasurer, Richard Leighton were arrested and charged with having

"maliciously caused an explosive substance to explode with intent in so doing to do grievous bodily harm to one William Ashe." 171

The evidence against the accused was considered adequate to justify their committal for trial in Newcastle. Bail was refused and the date of the trial set for 10th June, eight weeks later. 172

As the dispute continued the people of Minni kept up their non-violent opposition to the non-union labourers by tin kettling them to and from the mine: this was particularly aimed at those local residents who continued to work. This campaign of band playing, name calling and jeering went on until 10th April when the police intervened and charged seven men and eleven women with "riotous behaviour in a public thoroughfare." 173 This case was heard at Minni on 19th April before Mr. W. P. Henry, P.M. when the police testified that 300 people had been demonstrating on this particular occasion as the police were escorting members of one Minni family to their home. In defence it was argued that the track in question was not "a public thoroughfare" but a bush lane, unmade and undedicated on privately owned land which could be closed off to the public at any time. Mr. Henry rejected this argument and also the defence lawyer's second plea that "tin-kettleing" was standard treatment for strike breakers. The police opposed the request for nominal sentences on the grounds that the offenders had had many warnings and they were fined 5s. 6d. each and 5s. 6d. court costs or seven days gaol. Four women served a week in East Maitland Gaol and there was no more tin-kettleing. 174

The strike continued against the background of an attempt to reorganise and revitalise the Miners' Association and for a time it appeared that there would be a general strike but it became apparent that the miners were hopelessly divided and indecisive and it was eventually recommended on 20th April by the Delegate Board that all strikes be called off. 175 This was followed by a meeting of the Minni miners at which it was decided to approach the Manager and offer to return to work at the reduced rates if they were taken back as members of a lodge. Thomas refused and insisted that men seeking work make application as individuals. The men then met again at 4.30 p.m. on the same day and resolved that each man should fend for himself. "A great rush of some 300 men was made on the manager's office" and Thomas took the names of applicants and promised to post a list of the miners he required. 176 There were 120 non-unionists present.

By 16th May, however, the Minni correspondent of The Newcastle Morning Herald was able to announce that Minni was in full production and that all but about forty of the old hands had found re-employment. Many years later
William McIlane, who had moved to Minmi in 1893 and whose daughter was involved in the tin kettling charges recalled that the ending of the dispute did not satisfy the proprietors and

"every man who took a prominent part in the union was victimised and some of the men and even their families, boys who were going to school at the time of the strike were never given jobs at Minmi pits." 177

Curran and Leighton were tried on 10th June, 1895 in Sydney. Such cases were no longer held on the coalfields where it had been found difficult to obtain convictions. 178 The Crown's case rested principally on the testimony of a miner, James Nelson, who had turned Queen's Evidence because, as he testified at the Minmi hearing on 15th April

"he was shadowed by police and feared he was about to fall a victim of a conspiracy." 179

After Mr. Justice Simpson, acting on the suggestion of the Defence counsel, had ordered that Nelson be relieved of his loaded revolver, the chief witness testified that Leighton had sought and obtained information from him about the loading and firing of the pieces of pipe. According to Nelson, Curran had no direct hand in the firing of these "weapons" but he did know of the intended explosions. The prosecution also produced witnesses to testify that Curran had been outside his house just after the explosion and that his wife had been observed looking out of the front door of their house and in the direction of the camp.

The detectives who had investigated the case provided further "alleged" evidence against Leighton: they had found timber and cloth similar to the materials used in the construction of the "cannon" in his yard. 180

The defence lawyers produced witnesses, including the mine manager, R. Thomas, who testified to the good reputation of both the accused and it was shown that Nelson had been the chief advocate of violence as a means of dealing with the non-union labourers imported by Browns. It was also claimed that he disliked Leighton.

In his summing up Mr. Justice Simpson stressed the seriousness of the crime and suggested that if the accused were found guilty of it they could be sentenced to prison for life. He then described Curran and Leighton as

"respectable, intelligent and superior men, as many of their class were" 181

The jury, after a retirement of two minutes, found the accused not guilty. This was regarded by the miners as a reason for celebration but it should be
remembered that, while these two union leaders were in prison awaiting trial, the strike had collapsed.\textsuperscript{182}

In October 1895 John Brown, apparently assuming a continuing sense of common interest in J. & A. Brown on the part of his miners, informed them that he would have to reduce wages again if he was to retain his markets,

"asking the miners' assistance in the matter by deciding to what extent they are prepared to lower their hewing rate."\textsuperscript{183}

The miners' representatives interviewed him and were asked what concessions they would make: they asked what concessions were required. He merely advised them to "take their time and calmly consider the position."\textsuperscript{184} The miners met and decided that it was not up to them to decide the issue and adjourned for a week to await developments.

When the local newspaper interviewed the proprietors who were reducing wages, John Brown was the only one to make a statement which could be attributed publicly to him.

"Things were very mixed in the coal trade and he had asked his miners to voluntarily accept another reduction in their wages simply because the Co-operative Colliery was only paying a hewing rate of 2s. 2d. per ton while his firm paid 3s. 6d. to cut the same seam of coal. He refused to make public the intentions of the firm, had no faith in a vend system as a means of ending the present struggle: knew nothing of any project to establish a vend system, and considered that the low price of coal had most certainly brought trade to the port."\textsuperscript{185}

Another proprietor looked at the situation in the light of the events since the 1888 strike.

"Tell the miners this. They started the competition which is now crushing them when they so fiercely attacked Colliery Proprietors Association in the strike of 1888. Their leaders crowed when they prevailed upon Stockton Company to break the pledged words and even bonds of their managers and directors and retire from the association. The miners went to work, and Stockton stole - there is no other term for it - the Melbourne Metropolitan contract from the A. A. Company. We still kept up the association, and fought against underselling, but it forced us one by one to depart from the stringent conditions of the vend scheme, and take a hand in the fight for trade. While we held together the output of the non-associated pits increased, while we who tried to sell at a fixed rate were being driven to the wall. In the end we each went on our own hook and see the result. It is ruin for all but the strongest, and as the miners
for years blindly hurried us on to introduce a system of cut-throat competition, under which the fittest would only survive, they must now see the result." 186

A third colliery proprietor took the view that only the miners could save the industry.

"Why the fight is just getting interesting, and the fittest can now be seen standing out from the others. Look here at the list of collieries which have gone into liquidation or been snuffed out during the last three or four years - West Wallsend, Monkwearmouth, Burwood East, Burwood, Dudley, Waratah, Young Wallsend and Greta, and we must not include Maitland, North Stockton, or New Wallsend, as they were never opened and were "boom" pits." 187

He went on to say that a change for the better could only be brought about by the miners themselves.

"another reduction will have to go round, and even round again, until at last the limit is reached under which the men will strike and the companies working at a loss will cease competing and, getting together, a new association will be formed under a vend or even a trust system." 188

This attitude was also taken by a mine manager who suggested:

"the miners will have to combine and until they do the present state of things will continue ..." 189

These proprietors were expressing a view exactly comparable with the attitude taken by their predecessors in 1879 when the proprietors enlisted the aid of the District Union in an endeavour to save the proprietors from themselves. (See page 78). The union had failed to bring an end to the competitive price cutting of the non-associated collieries then and it was in no condition to accomplish the much more difficult task of forcing many more proprietors into some sort of price agreement which would provide for the wide variety of coals being produced in the north and which would also solve the problem of maintaining the union goal of uniform rates of pay to miners producing coals of different values.

The proprietors' competition for a depressed market, between 1893 when the Vend collapsed, and the middle of 1895, had reduced many of the coal companies to the brink of bankruptcy, had reduced the price of coal to the point where the N.S.W. Railways Commissioner was acquiring his coal for as little as 4s. 3d. per ton, had reduced the hewing rate for some miners to 2s. 2d. per ton and had brought many miners into the ranks of the unemployed through the closure of mines. The whole of the Northern District was
impoverished but those consumers of coal who bought direct from the colliery proprietors were enjoying the cheapest coal of the century; not least among those who were benefiting were the State Governments. Perhaps cheap coal was also assisting some industrialists to recover from the depression.

In creating this state of affairs the proprietors had also weakened the Miners' union: it failed to resist reduction after reduction. Non-union labour was used to break strike after strike and in April 1895 the financially exhausted union could merely order those on strike to return to work. When "victimisation" occurred and the miners' leaders were refused work because of their union activity their organisation was powerless to assist them.

If the proprietors really expected assistance from the District Union they were relying on a broken reed despite the assurance of The Newcastle Morning Herald in October, 1895 that the Union was quietly and successfully reorganising in the district. The large number of unemployed miners made reorganisation difficult,

"the miners realizing that others are only too willing to take their places in the event of a strike, are loth to join a lodge, or, indeed, do anything to jeopardize their employment." 

The Annual Reports of the Mines Department gave the employment for the Northern Field in 1891 as 8,309; in 1895 as 6,772, then the numbers employed showed a slight increase in 1896. Employment in the Northern mines did not exceed the 1891 total until 1900.

With the industry in this state, John Brown asked his miners what concessions they were prepared to make! In his press statement he referred to the rate of 2s. 2d. per ton being paid at the Co-operative Colliery and another proprietor wrote to one of his contemporaries in these terms:

"If a skilled Co-operative miner travels for an hour to reach and return from the coal face, and works at the face for eight hours he could not win more than three tons of coal in that mine. He will thus have earned 6s. 6d. less 5d. for powder and fuse and 1d. for tallow, leaving him 6s. 0d. per day. If Brown expect to pay the same rate, their miners will earn about 4s. 11d. per day for nine hours work because of the more difficult conditions of the Duckenfield mine."

This threatened reduction was not carried out.

Conferences between the miners' leaders and the few proprietors who attended and between the proprietors themselves, called by the Mayor of Newcastle, in November and December, 1895 and intended to arrange a price
increase, proved futile and early in 1896, the miners tried to intervene in
an effort to force the proprietors to raise prices.

In January, 1896 there was a sudden rush of ships: a rare event for
this time of the year. 120 ships were booked to arrive for coal. January
provided Browns' miners with full time at one mine and full time less one
day at the other. Many other mines worked full time too. February's
second pay period was not so satisfactory as head winds delayed the arrival
of foreign going vessels but Buckenfield worked full time and Browns colliery
was active for nine and three-quarter days of the possible eleven. 195

In the first ten weeks of 1895, 362,806 tons of coal had been shipped
to intercolonial and foreign ports: in the same period of 1896, shipments
amounted to 454,406 tons. With trade so brisk the miners demanded an
increase of 6d. per ton, in an attempt to force the proprietors into a vend. 196

The proprietors began to refuse, singly, not collectively. Browns
informed the men that they could not afford 3s. 6d. per ton and expressed
the hope that their employees would assist them to keep the trade in the port
of Newcastle and wait for a more favourable time to demand an increase.
John Brown urged them to stand by the firm until times improved. 197

When the Union conducted a ballot of all its members on the strike issue,
2,624 voted for a strike and only 567 opposed it. At this stage the Union
invited the owners to a conference. John Brown publicly rejected the
invitation saying he would meet his own men if they desired it.

"I am always prepared to meet my own men; but I refuse to recognise
the district officers of the Miners' Association in matters which
concern my business."

"But your miners are members of the Association," a reporter interjected.

"I do not know that they are. They have never informed me on the
matter and I am not going to trouble about it so long as they do
their work to our satisfaction. If they decide to strike it will
be time enough for me to consider what I shall do. But I do not
think our men will be so mad or so foolish to strike." 198

The N.S.W. Premier convened a conference to try to avoid the strike and
the miners used it to present their case for an increase but the proprietors,
now speaking with one voice, would promise nothing but that they would not
reduce again before December, 1897. 199 Ten of the fourteen miners' lodges
rejected this "armistice" proposal but the two Mimmie Lodges favoured it. 200

When the Mimmie miners left their work on Saturday 10th April, each man
received a letter addressed to him personally: the letters were to the point:
"I beg to notify you that if you leave work without giving fourteen days' notice in writing individually, I shall refuse to pay any wages due you.

Richard Thomas, Manager."  

Browns' miners decided to work on unless the District Union overruled them and when it did, they, and the other lodges struck work. Browns issued eviction notices once again and gave their tenants notice of an increase in their rents from 2s. 6d. per month to £1 per week. The Sun newspaper commented:

"They might just as well have made it 5s. 0d. for the chance of getting it is as remote as the Polar Region."  

The harbour filled up with shipping, estimated to amount to 200,000 tons in the middle of May, mediation by the Colonial Secretary, Bruncker, who came from the district, failed, and Peter Bowling wrote to the press advocating scientific socialism as the only permanent solution to the problems of the industry. He suggested an investigation into

"the almost criminal competition that has cursed this district might prove that, individually or collectively, the proprietors were morally unfit, or commercially incompetent, to have the welfare of the community at their disposal."  

The Minmi miners sued for the wages due to them and lost the case on points of law. When the Union held a ballot offering two alternatives, resumption of pre-strike conditions or a conference to seek a selling price of 3s. 6d. and a hewing rate of 3s. 4d. per ton the Minmi miners reversed their earlier decisions by voting for the latter course of action. Their mood had apparently hardened.

The proprietors were in no mood to compromise and in June they conferred together and agreed on the terms on which they would resume. The hewing rate, they agreed, would be 3s. 10d. when coal sold at 7s. 6d. with a provision for increase when the price rose and John Brown proposed that in future miners should be engaged "only upon separate individual agreements." This was adopted and the proprietors' spokesman informed the miners that:

"They have no desire, as has been represented, to crush unionism, but are determined that for the future they will deal only with their own miners' lodges."  

Early in July the proprietors moved closer together raising their offer to the miners to 2s. 11d. per ton and providing for the return to work of any colliery able to persuade its employees to accept this rate; previously they had insisted on all collieries resuming simultaneously. Should the
resumption occur at half the collieries and should the remainder stand idle for more than a fortnight each idle colliery was to be compensated to up to £100 per week from a fund levied upon the working collieries. The miners' tactics had promoted unity among the proprietors in dealing with the union but neither an increased standard price nor a vend.

Within a week the Minmi miners accepted Browns' terms for a resumption. They were to receive the one week's back pay due to them: to work out the rest of the pay period at the old level of wages and thereafter to be paid 2s. lid. per ton. One of the principals of the Scottish Australian Company commented,

"John Brown has acted cleverly but I think very wisely in thus getting the favour of his men ...".

The newspaper of the Minmi District commended Browns for their generosity, expressed the hope that other miners would not be discontented at the Minmi miners good fortune and added:

"In our opinion to cut coal at Minmi is well worth the extra penny.".

The District Union had failed to increase the price of coal: it had merely succeeded in reducing the District Hewing rate. R. A. Gollan interprets the return to work after this strike on the 2s. lid. rate as a crushing defeat for the union. Some of the proprietors were not so sure: F. W. Turner, secretary of the Scottish Australian Company urged the proprietors to establish, on a permanent basis,

"The spontaneous union that grew up at the time of the April Conference ... The Union is at present disabled but let a little prosperity come and it will arise again to give trouble ..."

The Union was in no position to give trouble and there is no evidence that the Northern Colliery proprietors formed anything like the Defence Association of earlier and later periods to enable them to pursue a common policy in dealing with their employees.

Full Employment and Industrial Peace 1897-1901

The period from July 1897 until December 1901, was marked by a regularity of operation of Browns' Collieries which astonished local observers. (See pages 162-163).

The survival of the Back Creek Wages Book permits an accurate statement of days worked, wages earned and amount produced in this colliery between 1897 and 1904.
TABLE 48: DAYS OF OPERATION OF RACK CREEK COLLIERY 1897-1900

<table>
<thead>
<tr>
<th>Colliery</th>
<th>1897</th>
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<td>272</td>
<td>274</td>
<td>275</td>
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<td>Hewing Rate</td>
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<td>2s. 11d./</td>
<td>3s. 2d./</td>
<td>3s. 4d./</td>
</tr>
<tr>
<td></td>
<td>4s. 10d.</td>
<td>6s. 3d.</td>
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<td>326</td>
<td>209</td>
</tr>
<tr>
<td>Hewing Rate</td>
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<td>4s. 2d./</td>
<td>5s. 2d./</td>
<td>3s. 10d./</td>
</tr>
<tr>
<td></td>
<td>5s. 11d.</td>
<td>5s. 7d.</td>
<td>5s. 7d.</td>
<td>5s. 10d.</td>
</tr>
</tbody>
</table>

Source: Back Creek Colliery Wages Books 1897-1901 and The Newcastle Morning Herald 1897-1904.

Though there is no complete record of days worked at Cuckfield Colliery in this period, newspaper reports indicate that it was generally operated in conjunction with the Back Creek Colliery and the return of days worked printed in the Annual Report of the Department of Mines for 1904 is confirmatory.

With the mines operating almost continuously and with the work force relatively stable and with production fluctuating only slightly between 1898 and 1901 (see Figure 10), this period of four years provides an opportunity for a study of industrial relations under conditions of full employment at generally increasing wages.

Owing to the quarterly working system the limited miners rarely worked a whole year at the one mine and even if they did, do so, changes of working partner and absences of one or other of the partners render it difficult, if not impossible, to calculate the earnings of the individual miners. The miners at Back Creek earned an average of 895 per miner in 1896. In 1901, with the hewing rate at a minimum of 4s. 2d. per ton, the average was 613.5.

Productivity per underground miner, the concept previously used in this thesis as a measure of the miners' income, was particularly high during this period both at Browns' Collieries and in northern collieries generally. The 5.0 tons per underground level had not been achieved in the North since 1884. Almost thirty years of industrial history separate the two peaks of productivity and Browns never managed to produce more than the 1802 record output per underground worker of 624 tons in the period for which the basic information is available, that is up to 1903.
<table>
<thead>
<tr>
<th></th>
<th>1898</th>
<th>1899</th>
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<td>521</td>
<td>576</td>
<td>551</td>
<td>514</td>
<td>540</td>
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</tbody>
</table>

*Source: N.S.W. Department of Mines Annual Reports 1898-1903.*

The earlier period of high productivity in the 1880's had been followed by a build up of the Northern workforce until output per underground worker was greatly reduced: it was only 423 tons in the year of peak output 1891.215 This process was repeated at Mimi in the years after 1882 but it was much less discernible in the last years of the 19th Century. There were 564 underground workers in Browns' Collieries in 1897, 614 in 1898, only 580 in 1899, 611 in 1900 and in 1901 there were 610.216 The reduced workforce in 1899 and the comparative slowness of the build up in this period was probably the result of the high level of employment of the Northern miners generally and may also be due to the recognised difficulty of working the Borehole seam at Mimi.

1897 was a comparatively peaceful year though there were disputes at two mines, Dudley and Stockton. The Miners' Union again stated their claim for payment by weight of all coal gotten. The proprietors heard the union's spokesmen in conference in September 1897 and rejected the demand.217

In December 1897 and again in February 1898 the miners conferred with their employers to urge that the price of coal and hence wages, be raised but without success. Undeterred, they tried again in the middle of 1898.218 When the conference opened the miners requested the presence of the press; John Brown opposed it on the grounds that it was an initial meeting. Some other proprietors took the opposite view and the reporters were allowed to remain.

The miners put up their usual arguments: overseas prices were up and Japanese, English and North American coals were all reported to be selling at higher rates. John Brown was called upon to speak on behalf of the proprietors but suggested:

"that those who wanted their names in the paper had better talk."219

Several other contributed to the discussion before John Brown. He reminded the meeting of his forecast of 1893 that prices and wages would have to be reduced and he stated that he now recognised that they would have to be increased. He stressed his knowledge of the coal trade and explained
the poor years in terms of low freights from rival coal ports to the foreign markets and the engineers' strike but the trade had been recovered and the price should be raised to 6s. Od. per ton from September when the contracts would be made for 1899. After one of the proprietors had opposed a price rise it was proposed that the miners withdraw to allow the proprietors to deliberate but John Brown interjected:

"No! Let those who wished to be reported speak." 220

Brown proclaimed his preparedness to act on his own in this if the other proprietors did not agree and asserted his intention to give his miners an agreement.

"He believed in the agreement there should be six months notice. He did not believe in the fourteen days' notice. Telegrams had been sent away saying there was going to be a strike. That was injurious to our trade. A six months' notice would do away with this." 221

He again emphasised his knowledge of the coal trade, told the miners not to go away depressed and argued that N.S.W. proprietors and miners should benefit from the higher prices ruling overseas. He asked the miners to wait and not to strike as strikes drove trade to the Southern Field.

Negotiations proceeded in private on the proposal to raise the price of coal but John Brown appears to have initiated this development which established that the declared selling price of coal would be 6s. Od. in 1899 and the heaving rate rose accordingly to 3s. 2d. per ton. 222

Wage rates remained at that level until 1900 when in the boom conditions of that year, the miners grew restive at the sight of a harbour stocked with masts while low prices and wages rates prevailed. 223

John Brown wrote to his San Francisco representative R. B. Hogue at this time expressing his expectation of a strike in the Northern District and apparently approving of it as a means of forcing up the price of coal which he considered to be too low. Hogue, in reply, agreed that the price was too low but doubted the value of a price rise achieved by peaceful means or by strike action. He mentioned that William Brown was credited in Sydney with inciting the miners to strike but urged John to consider the implications of such an action for J. & A. Brown.

"As things stand at present we are paying the miners 3s. 2d. in an 6s. Od. selling price: we have enough ships chartered to keep the collieries going practically all this year: the cargoes are nearly all of them already sold and we are making large profits out of them. In fact the colliery this year by working full time will make something like £30,000." 224
Hogue went on to argue that an increased declared selling price would involve higher wages but the price of Browns' coal would be unchanged. Should a strike occur, he pointed out to his employer, many ships would invoke the strike clause in their charter party and leave Newcastle in ballast, the mines would be stopped but their maintenance costs would continue and instead of making £30,000,

"there will be losses to face that will take years to pull up."^{225}

In these circumstances the proprietors showed an initial reluctance to raise the price at all but eventually, at Sir William Lyne's suggestion, agreed to make an advance of 2d. per ton to the miners, to be repaid in 1901 when the hewing rate was to be 3s. 10d.\(^{226}\)

The implementation of this plan worried John Brown who expected "trouble" with the miners over the hewing rate as they sought a pretext to avoid refunding the advance of 2d. per ton. Hogue replied:

"I hardly think the Proprietors will be so foolish as to precipitate a strike. They have had a good deal the best of it even after allowing the men 2d. and it will certainly pay them better to give way rather than have the pits thrown idle."^{227}

The Newcastle coal owners must have shared this view. At a final conference for 1900, amid an atmosphere of confidence for the future prosperity of the industry and with a more representative attendance of the proprietors than had been the case for a long time, it was decided that those collieries which had been obtaining only 8s. Od. in the past four months would have the advance refunded by their miners. The representatives of the miners went so far as to argue that the men were not entitled to the twopence unless the prices realized reached 8s. 6d. per ton. These collieries which had been obtaining more than 8s. Od. were to make an "equitable" arrangement with their employees.\(^{228}\)

The meeting, described as "very amicable" announced a further increase of 1s. Od. in the price of coal for 1901, bringing it to 11s. Od.: the hewing rate would be 4s. 2d. It would appear that the proprietors, after a year of high output, and with prices about to be increased by 30%, could still live in harmony with the miners despite the socialism of some of them. Prosperity, when shared in the historically approved proportions, brought industrial peace.

The capacity of the industry to produce, dwarfed its markets in the middle 90's: by the turn of the century the markets were beginning to match the potential of the mines and amicability prevailed. The tremendous potential of the Greta Seam coal was the latent force about to disturb the always precarious balance between supply and demand.
INDUSTRIAL RELATIONS 1900 - 1905.

The weakness of the District Union in the North after its defeat in the 1896 strike was such that R.A. Gollan has written

"Ten years were to pass before it was to be again in a position to fight for conditions comparable with those of the eighties." 229

In the years before 1900 the employers dominated the industry to such an extent that the Union sank to a low ebb but the return of prosperity in 1900 and 1901 brought a revival of unionist activity in the North. 230

The proprietors, undaunted by the growing activity of the Union, appear, from the evidence of the press, to have behaved in the manner which had gone virtually unchallenged in previous years. The promises to raise the hewing rate to 4s. 2d. per ton at the beginning of 1901 were not kept to the satisfaction of miners at several collieries who claimed that yardage rates had also not been correspondingly advanced. 231 An additional cause for dissatisfaction was the insistence, by some companies, that the two-penny advance made in the last four months of 1900 be repaid in 1901 while other collieries, including Browns, waived their claim to a refund. 232

With prosperity returning after the depressed incomes of the nineties, the Union reviving and the employers endeavouring to preserve the status quo of the years of a weak District Union, a new phenomenon appeared. The wheelers, the forgotten men of the industry in terms of union activity, began to display a militancy which was to be a feature of industrial relations in the North in this period.

The series of strikes by the wheelers is difficult to explain. 233 There do not seem to be any reasons why wheelers, as such, should have been any more militant than in the past. The industry was in a state of expansion in both output and number of mines so that their normal progression from wheeler to miner should have been facilitated until the machines came into use in considerable numbers in most of the South Haltland, and in some other collieries, after 1903. (See page 218)

It may be that the explanation is simply to be found in the reaction of youth to the events of these years; it may be, though, that the wheelers' militancy was their peculiar reaction to conditions which were affecting all the mineworkers in the North. The memories of the years of weakness, of low pay or unemployment, of poverty born of the proprietors' fruitless price reductions as they competed for an undersized market during the 1890's, must have had some effect on those continuing in the industry. Then there was the
refusal of the mine owners to officially increase the price of coal, and
hence the wage levels, during the boom demand of 1900. The miners
suspected that prices had been well above the 8s. Od. which had limited the
rate of their pay to 3s. 2d. and a letter of one proprietor dated 9th August, 1900, reported sales of the company's coal at 9s. 6d., soon to be raised to
10s. Od. and added "There is no occasion to mention this to the men." Two other influences require attention. R. A. Gollan has described
the development of socialist thought in Australia and he dates its influence on trade unionists from the 1880's. Jesse Gregson appears to have perceived a threat to capitalism in the actions and words of unionists prior to the Maritime Strike and R. B. Hogue frequently complained in the early 20th Century about the strong socialist elements creating unrest in the ranks of the miners.

"unthinking, unreasonable men, the socialists - most of whom will
not work themselves, and have no understanding whatever of work,
will go abroad amongst the really legitimate working classes, who ... are anxious to obtain work and only too willing to work and preach
their false and pernicious doctrines, and create a spirit of
unrest throughout the whole working community." With the leadership divided between socialists, such as Peter Bowling,
and leaders of the old school, such as James Curley, where did the rank and
file stand? There are indications that they were more militant than their
leaders, less prepared to accept the legalism and inhibitions imposed by
the arbitration system. Was this due to the influence of socialism, to
the ignorance of the system or to poor leadership? The definitive answers
to these questions may never be known. All that can be done at present is
to point out the complexity of the situation and to warn against any simple
explanation.

It was into this northern environment that the new State Arbitration
Court was projected in 1902 and it was under these conditions too, that
J. & A. Brown developed Wallaw Main and equipped it with coal cutting machines
which displaced most of the miners employed there.

THE IMPACT OF COMPELSONARY ARBITRATION

The N.S.W. Industrial Arbitration Act of 1901 established a system of
compulsory arbitration which was based upon an Arbitration Court consisting
of a Supreme Court Judge and two assessors, one elected by employers and one
by trade unionists. R. A. Gollan has described the powers of the court
in these terms:
"The powers of the court were very wide. They included the power to make awards in settlement of a dispute and also to make a 'common rule' binding on the industry as a whole. The court could compel the production of books and accounts, but trade secrets were to be confined to the court. Strikes and lockouts were prohibited during the reference of any disputes to the court, and any strike or lockout entered upon without time being given for reference to the court was a misdemeanour, the maximum penalty prescribed being a fine of £1,000 or two months' imprisonment. The intention of the Act was clearly to provide an alternative to the strikes and lockouts that followed unsuccessful collective bargaining."

Of the record of the new court in the mining industry, Collan has written

"The miners gave the court a four-year's trial and then abandoned it in disgust because of the inability of the court to enforce its awards. The awards (for Southern and Western miners) were followed by a state of litigation in the Arbitration Court itself, in the Supreme Court, and in the High Court. Actions seeking interpretation of clauses, injunctions against terms of the awards, and technical arguments on procedure delayed the application of the awards. By two decisions of the High Court the supposed powers of the Arbitration Court were reduced to a vanishing point."

An examination of the court's first appearances in the North enriches Collan's necessarily brief account: it also allows the degree of responsibility of the miners for the failure of the court to be assessed.

Arbitration had long had a place in the mining industry in the Northern District; it was in use between union and proprietors in the 1870's and it was employed in disputes between proprietors and their "Vend" Association. Arbitration of this type involved voluntary acceptance by both disputants, of the arbitrator and the procedure and it was based on the assumption that the decision of the arbitrator would be binding on both parties. It was soon recognised by both the miners and the proprietors that decisions arrived at by this procedure were usually compromises and the proprietors came to regard arbitration with distrust for this reason.

In December, 1902 the Arbitration Court heard its first case involving Northern Colliery proprietors and mine workers. The Colliery Employees' Federation made 18 claims on behalf of the East Greta Company's employees; the company disputed either in part or in whole, 17 of these claims.

When the Court announced its decisions in April, 1903, it rejected the miners' claim for a tonnage rate in place of a daily wage but made provision
for increases or reductions in the daily wage when the set quota of work was exceeded or was not reached. The Court provided for a sliding scale of wages, as requested, but ruled that it be tied to the selling price of East Greta coal and not Newcastle declared selling price, as asked. As the former was usually the lower, this was less satisfactory to the miners. In announcing the award, Justice Cohen, President of the Court, rejected the wage increases being claimed:

"having regard to the financial history of the East Greta Company the time had not yet arrived for the Court to enhance the wages of the miners. They (the Court) thought the miners had received a fair wage throughout the operations at East Greta ...." 242

Within a week of the announcement of the award the Colliery Employees' Federation asked for its suspension and review. Justice Cohen described the application as "rather rapid" and commented,

"I may say that unless it is shown that we have arrived at a conclusion under some misapprehension, I will not very readily consent to any variation of the award. We have to be very careful, or every time an award is made the dissatisfied party will come in at once and ask us to reconsider our decision. No decision can be expected to give mutual satisfaction." 243

When the Court considered the application for review, the miners, by affidavit and by representation by a King's Counsel, raised a long list of objections to the award. With regard to one of them, Justice Cohen made an admission which could hardly have improved the reputation of the Court:

"I am surprised to see that this is not in the award. - - - This part of the award will have to be altered." 244

It appeared, in addition, that the Court had made an award which approved payment upon the basis of the number of skips of coal obtained but did not define the size of the skip to be used. More seriously, long hearings had been held, claims made and opposed and the court had arrived at a decision which was contrary to the 38th Section of the Coal Mines Regulation Act, which it had no power to contravene. James Curley, who had conducted the Union's case in a manner which was publicly commended by the President of the Court but was not a lawyer, had not supported his demand for a tonnage rate by reference to the 38th Section of the Act:

"Where the amount of wages paid to any of the persons shall be paid to any-
of the persons employed in a mine depends on the amount of mineral gotten by them, those persons shall be paid according to the actual weight gotten by them of the mineral contracted to be gotten, and the mineral gotten by them shall be truly weighed at a place as near to the pit mouth as is reasonably practicable." 245

Justice Cohen commented

"It is very much to be regretted, . . . that throughout the whole of this dispute there was no suggestion that a skip rate was contrary to the Act, and what is further strange is this: that although the miners are being paid a tonnage wage practically regulated by the number of skips, no attempt has been made on the part of the miners' officers or of the Mines Department to take action to show that this system is not legal." 246

The Court emerged from this experience unimpressively but it was more seriously damaged by the case which it entered upon after giving its East Greta award. After hearing the claims of the Colliery Employees Federation with regard to wages and conditions at the Rhondda and Northern Extended Collieries, an award was made incorporating a tonnage rate to vary between 1s. 7½d. and 2s. 6d. per ton for hewing and filling coal in the gross in accordance with the selling price of coal from these collieries. 247

When the tonnage rate was ascertained in the manner laid down by the court it was lower than the miners were prepared to accept and they struck work and persevered in that action despite advice to the contrary from their Union Officers. When the employers endeavoured to have the Colliery Employees Federation held responsible for the action of its members in striking, Justice Cohen ruled that no breach of the award had occurred as the miners were not compelled to accept an award, merely obligated to do so. It was true that the strikers had broken a custom of the district which had the force of law, namely that fourteen days' notice had to be given of intention to cease work and the Court granted permission for criminal proceedings to be taken against them by their employers but, since the fourteen days' notice provision had not been incorporated in the award, the miners had not breached it and neither they nor their Federation could be held responsible and punishable under the Arbitration Act. 248

The Attorney General and author of the Arbitration Act, Mr. R. R. Wise, K.C. explained through the press that the Court could no more compel men to work under an award than it could compel an employer to remain in business, if he decided that an award had made it unprofitable for him to do so. 249

Although he was able to quote from his Parliamentary speeches about the
act to show that he had anticipated this type of difficulty, the employers generally, and the Sydney press, reacted strongly against the Arbitration Act over this case. 250

It was perhaps an hysterical reaction but there was an element of shock present too. The proprietors regarded the Act as partial, claiming it was enforceable against them but not against the miners. The action of the Northern Extended mines in refusing to abide by the award violated one of the basic assumptions of arbitration as it had existed in the north in the past.

The proprietors denounced the miners because they had already shown a willingness to profit by the court's decisions when they were favourable and to reject them when they were contrary to their interests. One proprietor wrote

"It is their habit to make light of an agreement when it works in the way of a reduction." 251

In January, 1903, Hogue wrote to John Brown explaining that some of the coal companies had reduced their prices from the declared selling price and thus detained coal contracts which left them a profit margin which they considered insufficient. They were proposing to officially lower the price in order to reduce the hewing rate and so escape from their difficulties. One particular company had offered coal at 8s. 9d. and obtained a number of orders from the Philippines and Browns and three other large producers had resolved to resist moves to reduce the hewing rate. 252

J. & A. Brown, and the Wallsend, A.A. and Newcastle Companies publicly announced their opposition to the proposed reduction in wages and asserted their view that the miners were fully entitled to the existing rates. The eight companies which led the move to reduce the hewing rate asserted that prices had been nothing like the declared price of 11s. 0d. per ton for months past and that they had been forced to reduce in order to survive. 253

In the struggle which followed Browns occupied the rare position of ally to the Colliery Employees' Federation and they consulted together on tactics. It was a case of the rivalry between producers outweighing the more usual competition between proprietors and their employees over the distribution of the income from coal sales. Hogue put it in this way,

"we are having a bit of fun with the underselling collieries, over the hewing rate and they don't know exactly where they are at." 254

When John Brown asked Hogue to ascertain how far the other three proprietors
were prepared to reduce their prices in 1903 while maintaining a declared selling price at 11s. Od. and a hewing rate of 4s. 2d. per ton, he was informed

"we know that the A.A. Company has contracts lasting into May, 1904 at 9s. Od. but they are willing to pay on the 11s. Od. basis so as to cripple West Wallsend, Seaham and some others of the underselling fraternity."255

When the Colliery Employees' Federation refused to recognise the companies intending to reduce as the Northern Colliery Proprietors' Association and as possessors of the right to alter the declared selling price of coal, the proprietors concerned gave fourteen days' notice of their intention to reduce the hewing rate to 3s. 10d. per ton. The union responded by asking the Arbitration Court for an injunction to prevent the proprietors executing this decision: its representatives were assisted by an affidavit by R. B. Hogue which purported to show that the proprietors intending to reduce did not constitute the Colliery Proprietors' Association which had the power, by custom, of regulating the declared selling price of coal and hence of wages.

The Court granted the injunction sought by the miners on the grounds that the parties now endeavouring to reduce the price of coal were not "the Associated Masters" who were signatories to the still valid 1893 Agreement with the Union which empowered the said Masters to alter the price of coal. The miners professed themselves willing to abide by the decision of the said Associated Masters but refused to recognise the present proprietors, who were intending to reduce, as the rightful possessors of that power and the Court upheld their view, though Justice Cohen, in his judgement ruled that two companies, the Pacific and the Caledonian, were not parties to the 1893 Agreement and then, when the injunction having been granted, the counsel for the coal companies informed him that these two companies were the owners of mines which had been parties to the agreement, the President of the Court admitted that he was wrong to have considered them in his judgement as not being parties to the agreement of 1893.257 The basic point that there was at least one company, admitted to have been a party to the 1893 agreement, which was not notified of the meeting held to reduce the price though its representative had been secretary of the 1893 Association.

There was a further ground for the granting of the injunction: that the 1893 agreement specified that from time to time the Associated Proprietors should meet to fix the declared selling price of coal and the Court ruled, on the basis of the affidavit of R. B. Hogue, which was not supported by evidence and was later contested, that by custom "from time to time" had come to mean in September of each year to fix the price of coal for the ensuing year.258
The evidence on which this judgement was based was tenuous to say the least: the 1893 agreement had 14 signatories: nine of these were represented among those attempting to reduce the price in 1903 but most if not all of these had left the Association which consisted of perhaps only one colliery by 1903, perhaps, two, though no-one seemed to be sure about this. To the proprietors seeking to reduce, by far the majority in number and in tonnage, this decision, based on custom and a vaguely remembered ten year old Association which had met rarely and in some years not at all, was unjust: the fact was that coal was selling for far less than the declared price but the Court would not give this legal recognition and they were forced to go on paying a 4s. 2d. hewing rate for the rest of 1903.

This case demonstrates the problems facing judges who found themselves in the position of having to establish the reputation of a new court among doubting parties conflicting over complex industrial issues when the law was sometimes not applicable and custom far from clear. It is really hardly surprising that both proprietors and miners soon lost whatever faith they may have had in it.

The manoeuvres of the rival groups of proprietors also indicates the continuation of the divisions between them. Although most of them co-operated in the formation of a union of proprietors for the purpose of conducting Arbitration Court cases, the competition for trade was so acute, the occasional personal animosities so bitter, the diversity of coals so wide, that agreement between them was rare. Indeed at times, Browns appear to have been closer to their own employees than they were to many of their brother proprietors.

In December, 1903, all the principal mines except the A. A. Company gave notice of reduction of the hewing rate to 3s. 10d. in accordance with the reduction in the price of coal to 10s. Od. per ton. The Colliery Employees' Federation applied to the Arbitration Court to have the reduction set aside until a full inquiry into the industry could be held but the Court refused. In refusing Justice Cohen was most critical of the attitude of the union which in May had argued successfully on the basis of the 1893 agreement and then in December argued that the 1893 agreement did not exist.

The miners accepted this reduction and worked on into the new year which was marred by the intermittency of working of many of the mines. (See page 224) While the Arbitration Court was being blooded so far as the Northern District was concerned, Browns were introducing machine coal cutters into their Pelaw Main Colliery. This was to create a new problem in industrial relations.
Browns' Pelaw Main Problems

The decision to develop the Pelaw Main property (see page 164) did not involve Browns in any immediate labour problems but in the long run the move to the South Maitland field, with its very different conditions of work created a situation which, when handled in the manner of John Brown, produced serious disputes at both the new and the old collieries.

The new colliery was developed by day wage labour: this was usual in developmental work where the amount of coal produced was often incommensurate with the amount of labour expanded. When the mine emerged from the developmental stage Browns retained the day-wage system which would, given a "fair day's work," have meant cheaply produced coal because of the greater ease of working the thick, clean Greta seam, the miners could extract much more coal than was possible in the Borehole seam mines. 262

The relative ease of working the new mine led the miners to demand payment by tonnage in November 1902 at an aggregate meeting of South Maitland miners and when the East Greta miners asked the Arbitration Court to introduce a hewing rate in 1903 and it refused, the Pelaw Main miners were reported to be disappointed. 263 This issue was to be fruitful of industrial disputes until 1905 when the day-wage system was abolished.

Another, perhaps more serious cause of friction between the Pelaw Main employees and its management was John Brown's decision to install mechanical coal cutters in the colliery. (See page 165). R. B. Hogue reported that the lodge was disturbed at preparations to install the cutters in May, 1903, and that a deputation had visited Sir John See, to urge him to compel the proprietors to pay by weight of coal gotten. 264 Browns were intending to meet him also to oppose the introduction of a hewing rate and to point out that the Pelaw Main miners had left mines where payment by tonnage prevailed to accept work at the new colliery where day wages were the rule.

John Brown had seen the coal cutters in use in the United States and imported two types of machine, the Ingersoll and the Jeffrey: early in the second half of 1903 there were three of the former and two of the latter in use.

R. B. Hogue, Browns' Newcastle Manager was quickly convinced of their value and in May, 1903, he wrote to John Brown explaining that when the colliery was fully equipped with machine cutters they could be used on one shift only and in that time they would be able to cut sufficient coal to keep the mine operating on a three shift basis, thus permitting "the proper and economical working of the mine... The miners will be got rid of and the machines used entirely." 265
Hogue went on to review the performance of the machines, stressed the increased proportion of small coal resulting from their use and the severe shattering of the coal which resulted from the nature of the explosives in use in conjunction with the cutters and concluded "The machines will not cheapen the cost of production to any appreciable extent. All they save is strikes." In the years following their introduction strikes were more common than ever before.

By 3rd February, 1904, the process of replacing hand miners with machines was complete and of the 250 miners once employed at Pelaw Main, 150 had left rather than accept employment shovelling machine-cut coal into skips at 7s. Od. per day and the rest had accepted work as machine operators at 11s. Od. per day. By then there were over 500 workers employed in the mine but most of them filled the coal cut by the eleven machines, soon to be increased to seventeen. The transformation of Pelaw Main into a machine cutter colliery within eighteen months of the installation of the first machine provoked a great deal of industrial unrest.

R. E. Hogue reported to John Brown in November, 1903,

"It is a perpetual fight with the miners in regard to the hewing rate and against the machines. We have had to fight them in and out of Parliament on the Eight Hours Bill and the Regulation of Wages Bill, and now they have gone to the Arbitration Court to get a tonnage rate, after we licked them in the Upper House. Just before they filed notice in the Arbitration Court we gave 72 of them notice and they are after us now to let those men share the work with the others instead of going off altogether."

Hogue affirmed his intention to refuse this request, pronounced his plan to dismiss the remaining 60 hand miners as soon as possible and accused the Pelaw Main men of not knowing when they were well off. He felt the final blame did not lie with them, however,

"The agitator and the Labor members of Parliament are really the responsible parties. They are the curse of the country."

October 1903 had been a month of dispute at Pelaw Main. On 5th, the wheelers struck work and threw the colliery idle after one of their number accused of obstructing the work of the machines and then using foul language to a deputy manager, was dismissed. His colleagues refused to work and the miners refused to wheel their own coal so Hogue took steps to prosecute the wheelers before the Arbitration Court and closed the colliery, paying off the employees.

Hogue interpreted the issue as involving the right of Browns to
control their own mine; if the wheeler were to be re-employed "there is an end to all discipline and he will be cook-of-the-walk."\(^{271}\)

The mine workers in the Pelaw Main Colliery were clearly in a state of extreme discontent but this discontent was not confined to their ranks; it was present in other collieries of the Maitland Field and in some, if not all, of the Newcastle collieries industrial relationships were also deteriorating.

In Pelaw Main there were particular grievances: the advent of the machine cutters constituted a threat to the skilled hand miner, a threat which materialized very quickly in the closing stages of 1903 and there was also the refusal of Browns, both before and after the changeover to machines, to introduce a tonnage rate. Payment by piece rates was traditional, it was expected and it was particularly annoying to day wage workers to observe others in similar mines receiving high wages while they were limited to 11s. 6d per day. By October 1903, the East Greta mine and the Hebburn colliery were working under a tonnage rate.\(^{272}\)

John Brown, in London, clung to the principle of a daily wage despite the entreaties of his managers in New South Wales. He persisted in this even though it meant that the colliery worked uneconomically. The initial preference for continuing the daily wage system after the mine was passed the early development stage must have been prompted by financial considerations: labour cost per ton must have been lower when miners earned day wages but this advantage soon disappeared because of the miners' low output.

Before the coal cutters were installed, the 219 hand miners at Pelaw Main were producing from 750 to 800 tons of best coal from 150 to 160 tons of small coal per day, that is from 900 to 960 tons of coal per day. By October, 1903, with eleven coal cutters in use and the 219 hand miners at work, the total output of the mine was about 1150 tons of coal. The machines were hewing about 750 tons and the miners 400 and it was costing 5s. 6d per ton to cut and load coal similar to that which was produced for 2s. 6d by hand in the East Greta mine. This situation was attributed by Hogue, after a change of mine managers in October, 1903, to the opposition of not only the men, but of the mine manager who had failed to systematize the use of the cutters and who appears to have disapproved of their use.\(^{273}\)

John Brown continued his day wage policy and in March, 1904, his Newcastle manager wrote to him again in the exasperated manner which Hogue was prone to adopt when his employer acted illogically.

"You have been advised of the bitter fight against the machines by all hands including the pit officials. You also know of the fight against the day wage system. In spite of all troubles
the machines have gone in and the hand miners have gone out and the pit has been kept going by men who have had to be taught the machines and who want to see the machines beaten. Your complaint is that the men can't be compelled to cut anymore than 40 to 45 tons per day. You have also been told the reason why they will not, which is simply the day wage system."

Hogue then asked:

"even if they earned more than 11s. Od. and 7s. Od. per day what would it matter to you as long as you get a great deal more coal at a much cheaper rate. If the machines are going to be a success you must put the men on piece work. What possible objection is there? You could employ the same number of top men for handling say at least as much more coal per day. Put the fillers on piece work and no more trouble from them."  

John Brown's opposition to payment by tonnage continued until January 1905 when he informed the officials of the miners' union that he was ready to discuss the introduction of a hewing rate. His previous refusals can only be attributed to his reluctance to take advice and to change direction and probably of greater significance, his concern that the miners should not do too well out of the new mine. His attitude here was similar to the position he took in regard to his tugs. It was not what profit or losses he was making that was of prime importance, it was what his rivals were making. In this case it was not that he could have made a greater profit from tonnage rate coal that mattered but that the miners did not increase their incomes after they had obstructed the development of the mine as a machine-cutter colliery.

Felaw Main was established on eight separate Crown Mining Leases and the terms of these placed Browns in what they considered to be a vulnerable position. They were obliged to employ eight men per lease and the failure to do so, unless the Mining Warden had granted a suspension, could have led to the cancellation of the lease. They regarded the Labor Party as intent on sabotage of the mining industry in order that it could be taken from private enterprise; it was felt that the members of this party were alert for an opportunity to cancel the firm's leases and deprive it of the large sum of money invested there.

The position was complicated, for J. & A. Brown, by the existence of the Arbitration Court. Hogue's attitude to the Court was approving after the East Greta case, (see page 202 ) when he observed that it appeared to be going to be governed by evidence and not by sympathy, but by the end of 1903
he was complaining about the unflagging support of the Court for the men and its expectation that Brown should adopt a conciliatory attitude towards the miners.

John Brown, in London since 1897, appears to have failed to realize the implications of the Court for his methods of handling labour. In September, 1903, he was suggesting the closure of one of the Mimi tunnels and the dismissal of all the Pelaw Main miners. In February 1904, John was again suggesting that Duckenfield be closed down as a preliminary to negotiating a reduced hewing rate. His next radical proposal was the introduction of numbers of American machine operators and the employment of free labourers to assist them: he asked that accommodation be prepared for them. Shortly afterwards he advised his Pelaw Main manager, George Durie, to go down the mine "with non-union men, sit beside them and see what could be done and make others do the same — break up the union and work the mine with non-union men." Durie replied:

"The man (nor the time) has not yet arrived who can break up the Miners' Union and defy the laws of the country. If the above is what you expected from me I do not wonder at your disappointment."

These proposals demonstrate John Brown at his most insensitive and his most stubborn: he persevered with the same suggestions though repeatedly advised by Hogue, in particular, that such tactics could not succeed. In March, 1904, John received the following:

"You surely know the troubles and fights we have had with the men at Pelaw Main but you don't seem to know or realize how extremely cautious you have got to be now in dealing with the men since the Arbitration Act and the Arbitration Court came into existence."

John Brown's slowness to adjust to this new situation, was probably reinforced by his distrust of the able lawyer Hogue who, John felt, was far too likely to exceed his powers and authority.

The difficulties facing those who hoped to settle the industrial disputes of the North by arbitration can be most clearly illustrated by an examination of the development of the dispute which originated over the Pelaw Main wheeler who was dismissed early in October 1903 (see page 219).

Faced with the refusal of the wheelers to work, Hogue reacted energetically. He approached the Court for permission to prosecute every
wheeler, intending if permission were granted, to ask the Attorney General to prosecute for misdemeanour. The Miners' Federation was then informed that the wheelers, its members, had by striking, broken the law and offended against the Arbitration Act and the rules of the union and Hogue stressed the duty of the Federation to expel the offenders and supply new men for Pelaw Main. Browns announced that they regarded the wheelers as having left their employ and that they expected the Federation to replace them and that until this was done the firm would hold the Colliery Employees' Federation responsible for any loss resulting from the stoppage of the pit.²⁶⁴

Hogue, upon whose evidence we are forced to depend, even if rather sceptically in a case like this, informed John that James Curley would not believe that the Federation had any responsibility of this kind until he took legal advice. The miners' leaders then tried to persuade Hogue and William Brown to relent they refused but later arranged with Curley for a return to work on the basis of the wheelers making individual applications to the manager who was to exercise his discretion as to whom he would employ. Browns received the Court's permission to prosecute. Hogue decided not to prosecute the wheelers as their leaders had "cleared out" and he believed some of the others to have been coerced into the strike: "Browns did not proceed against the Federation for damages either. As Hogue put it, work had been resumed, the Federation and the wheelers had been taught a lesson, that they had responsibilities under the Arbitration Act, and

"the other colliery proprietors are delighted, as they have been having nothing but trouble, one after the other, especially with the wheelers, and now they see that they have got a way of dealing with them." ²⁶⁵

In cases such as this where the wheelers stopped the mine the miners usually refused to do their own wheeling and refused to allow others to be brought in to replace the strikers. At Back Creek in 1905, faced with notice to strike by the wheelers, Browns threatened to close the colliery if a strike occurred: they had already closed Ackenfield. When the wheelers ceased work at the expiry of their notice the conditional wheelers, newly appointed miners, kept the colliery at work and John Brown expressed his admiration for them in making a stand; "while they were straight with him he would see that they would lose nothing by it."²⁶⁶ He added that when the time came to close Mimi they would be given job preference at Pelaw Main Colliery over all other miners including the Pelaw Main employees.

The use of punitive measures, some were fined, others gaol, sometimes forced the wheelers to observe the law but did not reduce their militance which, one survivor suggests, was the result of a combination of youth, independence and the possession of money, after the hard years of the 90's. It seems likely to have been the attitude of the miners, the natural leaders
in the mining communities which fostered this pattern of behaviour: had they desired to control the wheelers they could easily have done so by doing their own wheeling: their decision not to do so could be due to their loyalty to fellow unionists, more probably it was due to their own dissatisfaction. The admittance of the wheelers to the Miners' union may have given them a new security which would have made them more likely to resort to strike action: they were immature both in age and union experience.266

The Development of the Greta Seam Collieries Produces Overcapacity

The development of the Maitland Field created a degree of overcapacity which, when demand faltered in 1904, reduced the employment of miners working in some of the collieries of the Northern Field. 269

The Nimmie collieries worked 195 days but Pelaw Main was in action on 246 days in a year out of a possible maximum of 275 days. The Greta Seam Collieries had a better record than most of the Borehole Seam Mines and on October 31st, an aggregate meeting of miners agreed that there were too many collieries and resolved:

"That in our opinion no further coal areas should be leased nor mineral leases alienated for coal mining purposes, and that the coal mines be nationalised," and "That the present internal competition in the coal trade warrants the Government passing an Act fixing the minimum selling price of coal for the Borehole seam at 10s. Od. a ton, Maitland District Measures at 9s. 6d. a ton and the Teralba series and others at 8s. 6d. a ton with a penalty for underselling ..."290

The reduced trade of this year and the competition between the Maitland and Newcastle Fields led to a further reduction in the declared selling price from 10s. Od. to 9s. Od. and in the hewing rate for Newcastle miners from 3s. 10d. to 3s. 6d. Once more the miners asked the Arbitration Court to intervene to prevent the reduction but the court refused the application on 29th December, 1904.291

These reductions in wages, though due to competitive price reductions in a year of reduced foreign trade, were partly the result of the rate of wages at the Maitland Collieries. The Arbitration Court award had related wages at East Greta, and this award tended to be the basis of pay at other mines, to the actual selling price of coal and not the often only theoretical declared price at the port of Newcastle.292 Thus the Maitland proprietors could accept less for their coal, pay far less for it to be hewn and still allow the miner, working in the easier conditions experienced there, to earn an acceptable wage.
The opening of the Maitland field had not only increased capacity significantly, it had upset the pricing and wage regulating customs of the older Newcastle field.

The year 1905 witnessed a series of industrial disturbances: two of these occurred at Pelaw Main. In January Pelaw Main miners struck rather than accept a reduction of wages, the first, said John Brown that had been imposed since the colliery opened. Browns had proposed reductions all around, the miners' leaders had conferred with John and as a result the reductions were decreased and it was announced that the lowest paid workers would not lose anything. Peter Bowling addressed the Pelaw Main men and successfully urged them to accept the reductions by majority vote pointing out that Browns were prepared to discuss a tonnage rate and that J. & A. Brown had not reduced their wage rates in 1904 as others had done. He believed that should be taken into consideration by the men. Nevertheless, the wheelers at Pelaw Main again ceased work and provoked John Brown who informed a reporter:

"You may say that so far as Pelaw Main is concerned there is no occasion to refer anything just now for the owners' decision. We have nothing to consider. We own that colliery now. But when we were working it the men owned it ... I am letting Pelaw Main rest at present. The Attorney General has to do a duty there yet. Why the delay in the issuing of these summonses. I cannot understand. The men started work under a compromise and they ceased without notice after signing to abide by the rates and conditions agreed upon." 293

The Back Creek miners and wheelers, who initially accepted the reduction earned John's praise, "they went to work and accepted the situation like men." 295 Subsequently, the Back Creek wheelers, under pressure from the wheelers at other mines, gave notice of their intention to cease work whereupon the Superintendent of J. & A. Brown warned them "that the firm intended closing down in the event of a stoppage occurring at the present juncture." 296

Proceedings were instituted for the prosecution of the Pelaw Main wheelers before they returned to work on 25th January, 1905. During January 300 summonses were issued against wheelers on the Northern fields and in order to make things difficult for the authorities and the proprietors they insisted on being tried separately. 297

A more serious dispute closed Pelaw Main in June 1905. It developed over the alleged 'victimization' of two miners, a demand for a reduction of hours for the afternoon shift and the favourable treatment being extended to American machine men engaged in the colliery. They worked only the day shift and were alleged to have received the dirtiest working places. The Americans had been brought to Australia to operate the machine cutters because of
John Brown's dissatisfaction at the amount of coal cut by local operators. He had intended to bring in a large number, it is not clear how many he actually brought. Hague had advised him that they would be rejected by Federal Immigration authorities unless they were "smuggled" in.

Local operators had cut from 40 to 60 tons per day on the machines, Bryant, the American expert brought out by John Brown originally as a demonstrator and who was later given the direction of all the machines, was claimed by his employer to be able to cut 100 tons per day. John persisted in this claim, for his own purposes perhaps, or out of obstinacy, even though Bryant, after a protracted trial could cut only 84.18 tons per day in Pelaw Main.

John Brown told a Daily Telegraph reporter in January, 1905,

"we have one American machinist who cuts 100 tons of coal in eight hours, the local machinist doesn't do better than from 40 to 44 tons in the same time."

"Is the American an average workman, or a picked specialist?" asked the reporter.

"He is just such a man as could be got in any quantity in the States. There is no colliery in the world which offers better facilities for successful machine work than the Pelaw Main ..."

Non union labour was introduced; pickets were posted and when Bryant fired three shots from his revolver over their heads, he was charged with shooting with intent to do grievous bodily harm. In another incident non-union labourers, arriving in open railway trucks were stoned and one man admitted to Kurri Kurri hospital with a head injury. Some of the miners considered that he should have been refused admission. The strikers were denied their pay and were refused permission to remove their equipment from the mine.

The Federation applied to the Arbitration Court for their pending application for an award for pick miners in Pelaw Main, lodged in 1903, and the current dispute to be heard in August. Browns argued before the court that since no member of the Federation had worked for them since 15th June, the Court had no right to interfere in the determination of the conditions of workers who did not belong to it. They were assisted in this claim by the fact that Pelaw Main was nominally owned by John and William Brown. When the Federation presented evidence that one of those then at work in Pelaw Main was a member, the manager produced a document signed by this miner before starting work, stating that he was not a member of
the Colliery Employees' Federation. 306

This stoppage was not terminated until August 25th when it was decided to re-open the mine with both parties accepting the decision of a voluntary Arbitration Court. 307 Before this strike ended Browns made use of a threat which was new to them and so out of character that it can only be regarded as a bluff. They announced that the mine would be let out on tribute to two contractors who interviewed the miners and offered them employment at reduced rates on condition that they gave a "fair day's work" and that no notice of dismissal would be given. 308 It was common enough in the history of the industry in the North to let out sections of mines or old mines in this way but no other suggestion of letting a large, modern mine on tribute has been noticed. John Brown would never have allowed his most valued mine to be removed from his control.

Though the period from the end of the Vend in 1893 to the end of the century had been extremely difficult for all the colliery proprietors, it was one of achievement for J. & A. Brown. The firm had acquired three valuable mining properties two of which were still in production in 1965, and plans had been laid for the development of Pelaw Main which was to restore Browns to the premier position in the industry. It had also accomplished what must have been a record for a foreign trade colliery in continuity of operation and its relations with its employees appeared to be far more harmonious than they had been in the years 1894 and 1895.

The next five years were significant for the building of their Richmond Vale Railway and for their establishment in the interstate trade but the serious industrial disturbances on the South Maitland field in particular, had detracted from the achievement of bringing Pelaw Main into operation.

For John Brown, survival had become an almost continuous struggle. There was, of course, the continued rivalry with his competitors but in addition there had been the contest with the Ximi miners in 1895, the conflict with the Shipping Ring in 1903 and the ceaseless struggle with the employees of Pelaw Main showed no sign of abatement in 1905. In addition he must have been aware of the continuing dissatisfaction of his brothers, William and Stephen, who were soon to launch their most serious attempt to deprive him of his sole control of the firm.
CHAPTER SIX

The nine years 1906 to 1914 were marred by deteriorating industrial relations in the Northern Coal industry but a third Vend Agreement lifted prices from the depressed levels of 1905 and production increased by almost four million tons to a peak of 10,414,000 tons in 1913. For J. & A. Brown it was a period of sustained, high production and increased earnings but deteriorating relations between the two brothers: John and William Brown, threatened the existence of the firm. (See page 274).

The output of the state increased steadily until 1909 (See Table 51 and Figure 20) when production decreased by more than two million tons owing to two industrial disputes and other causes. (See page 262). The Southern and Western Mines recovered from this setback more readily than the Northern District Mines which were more dependent upon the foreign trade. (See page 223). It was not until 1912 that the output of the Northern District exceeded the output of 1908 but recovery was only temporary for in 1914 it fell away as the outbreak of war interrupted the supply of shipping. (See Figure 21).

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Average per ton to the nearest penny</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>s. d.</td>
<td></td>
</tr>
<tr>
<td>1905</td>
<td>6,632,138</td>
<td>6 0</td>
<td></td>
</tr>
<tr>
<td>1906</td>
<td>7,626,392</td>
<td>6 2</td>
<td></td>
</tr>
<tr>
<td>1907</td>
<td>8,657,924</td>
<td>6 9</td>
<td></td>
</tr>
<tr>
<td>1908</td>
<td>8,147,021</td>
<td>7 4</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>7,019,879</td>
<td>7 6</td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>8,173,508</td>
<td>7 4</td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>8,692,604</td>
<td>7 3</td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>6,888,915</td>
<td>7 5</td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>6,414,165</td>
<td>7 3</td>
<td></td>
</tr>
<tr>
<td>1914</td>
<td>6,390,622</td>
<td>7 2</td>
<td></td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report for 1914 and 1915.
An analysis of the destination of New South Wales coal reveals that until 1908 the foreign trade was growing more rapidly than either home consumption or the Australasian trade; thereafter it never again reached its 1908 level. The Australasian trade was generally on the increase throughout the period from 1906 to 1914 but home consumption dropped in 1906 by 250,000 tons and the Australasian demand was slower to recover from the 1909 strike than New South Wales demand. 2 (See Figure 2D).

After lifting from the depths of depression in the middle of the 1890's the Australian economy appears to have expanded steadily, until 1902-3 when there was a brief downturn before expansion was resumed at a faster rate. 2 As the economy expanded the demand for coal grew.

![Graph showing coal output by destination 1905-1916](image)

**Figure 21: N.S.W. Output of Coal by Destination 1905-1916**

- Australasian Trade
- Foreign Trade
- Home Consumption
The largest Australian consumers of N.S.W. coal continued to be the railways, gas companies, and steamship operators but considerable amounts of coal were also going into smelting and other industries. The Government-owned railways of Australia were operating at the level of 37,090,000 train miles in 1900-1 and though they reduced operations in 1902-3, 1903-4 and 1904-5, they suffered no further setbacks and increased their activity each year until by 1913-14 the level of operations had reached 60,222,000 train miles per annum. (See Table 51). This great increase in traffic raised coal consumption.

**TABLE 51: TRAIN MILES LOGGED, AUSTRALIAN GOVERNMENT RAILWAYS 1900-1 TO 1913-14 ('000 MILES)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Commonwealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900-1</td>
<td>37,090</td>
</tr>
<tr>
<td>1901-2</td>
<td>38,237</td>
</tr>
<tr>
<td>1902-3</td>
<td>36,125</td>
</tr>
<tr>
<td>1903-4</td>
<td>33,533</td>
</tr>
<tr>
<td>1904-5</td>
<td>33,444</td>
</tr>
<tr>
<td>1905-6</td>
<td>35,749</td>
</tr>
<tr>
<td>1906-7</td>
<td>38,638</td>
</tr>
<tr>
<td>1907-8</td>
<td>41,225</td>
</tr>
<tr>
<td>1908-9</td>
<td>43,843</td>
</tr>
<tr>
<td>1909-10</td>
<td>46,239</td>
</tr>
<tr>
<td>1910-11</td>
<td>51,327</td>
</tr>
<tr>
<td>1911-12</td>
<td>55,202</td>
</tr>
<tr>
<td>1912-13</td>
<td>58,138</td>
</tr>
<tr>
<td>1913-14</td>
<td>60,222</td>
</tr>
</tbody>
</table>

**Source:** Official Year Books of the Commonwealth of Australia.

The gas companies of the big cities were much sought after by New South Wales coal producers: as large consumers they were usually able to obtain good quality gas coals at low prices. The consumption of coal by gas makers in Australia in 1908 was 1,083,000 tons and it continued to increase until by 1913, 1,272,000 tons were used for this purpose. Most of this coal came from New South Wales and the great part of that was won from Greta Seam mines.

**TABLE 52: COAL USED IN GAS PRODUCTION IN AUSTRALIA 1908 AND 1913 ('000 TONS)**

<table>
<thead>
<tr>
<th>N.S.W.</th>
<th>Vic.</th>
<th>Qld.</th>
<th>S.A.</th>
<th>W.A.</th>
<th>Tas.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1908</td>
<td>763</td>
<td>206</td>
<td>60</td>
<td>32</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>1913</td>
<td>810</td>
<td>295</td>
<td>94</td>
<td>49</td>
<td>11</td>
<td>14</td>
</tr>
</tbody>
</table>

**Source:** Official Year Books of the Commonwealth of Australia No. 3 and 4.

Slightly more than 1,182,000 tons of Australian coal had been consumed by overseas shipping in the year 1906 and this amount increased annually until 1909 when it dropped by over 300,000 tons. It dropped again in 1910 but then increased each year until 1913 when it decreased slightly. The
outbreak of war in 1914 severely affected this section of the coal trade which declined, until, in 1917-18, it totalled only 723,000 tons. (See Table 58).

<table>
<thead>
<tr>
<th>Year</th>
<th>Australian Produce Tons</th>
<th>Other Tons</th>
<th>Total Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1907</td>
<td>1,305,210</td>
<td></td>
<td>1,305,210</td>
</tr>
<tr>
<td>1908</td>
<td>1,545,648</td>
<td></td>
<td>1,545,648</td>
</tr>
<tr>
<td>1909</td>
<td>1,233,277</td>
<td>9,180</td>
<td>1,242,457</td>
</tr>
<tr>
<td>1910</td>
<td>1,129,136</td>
<td>30,522</td>
<td>1,159,658</td>
</tr>
<tr>
<td>1911</td>
<td>1,455,683</td>
<td></td>
<td>1,455,683</td>
</tr>
<tr>
<td>1912</td>
<td>1,670,841</td>
<td></td>
<td>1,670,841</td>
</tr>
<tr>
<td>1913</td>
<td>1,647,870</td>
<td>400</td>
<td>1,648,270</td>
</tr>
<tr>
<td>1914-1915</td>
<td>1,314,317</td>
<td></td>
<td>1,314,317</td>
</tr>
</tbody>
</table>


The increasing use of steamships in the Australian coastal and interstate trade must also have absorbed much greater amounts of coal in this period apart from the large quantities being burned by steamers engaged in the foreign trade from Australian ports.

<table>
<thead>
<tr>
<th>Year</th>
<th>1905</th>
<th>1906</th>
<th>1907</th>
<th>1908</th>
<th>1909</th>
<th>1910</th>
<th>1911</th>
<th>1912</th>
<th>1913</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>117</td>
<td>122</td>
<td>131</td>
<td>135</td>
<td>181</td>
<td>180</td>
<td>178</td>
<td>180</td>
<td>190</td>
</tr>
</tbody>
</table>

Source: Official Year Books of the Commonwealth of Australia No. 3 and 4.
It is difficult to estimate the quantity of coal being consumed in Australian factories at this stage of economic development. The number of factories was increasing but the Official Year Books give no separate figures for fuel consumed or for steam engines in operation.

The smelting of metals had consumed a great deal of coal since the 1850's when Newcastle's first copper smelters were set up and the smelting operations of the Broken Hill companies had stimulated this demand. By 1903 the annual consumption of coal for smelting and railway use in Broken Hill was about 100,000 tons.4

The iron and steel industry, though still infantile, was slowly gathering impetus and giving some indication of its potential as a coal user but it did not have any influence on the mines of the Northern District of New South Wales as it was then situated on the Western coalfield of the State. The first pig iron was not produced at the Broken Hill Proprietary's Newcastle works until 1915.5

Difficult, too, to estimate, is the amount of coal consumed in the households of Sydney and Melbourne and some of the towns of South Western Australia but this form of consumption swelled the local demand for the produce of the mines. As the population grew and the trend towards urban living accelerated the demand for coal as a winter fuel in particular, would have increased.6

These developments explain the expansion of the consumption of coal in Australia in the early 20th century: they do not clarify the reason for the reduced New South Wales demand of 1906. More steamers were operating, the railways travelled more train miles, New South Wales manufacturing output increased, the gross value of mineral production in state also increased. The answer may lie in the consumption of coal which was held in stock by coal consumers or at grass by coal companies. Since prices of Northern coal were increased in 1906 when the Vend scheme came into operation, the decrease may have been in production but not in consumption.

The drop in shipments of New South Wales coal to Australasian ports after 1909 also demands a closer examination.8 It had long been the claim of colliery proprietors that prolonged strikes by miners, lockouts would have had similar results, did long term damage to the coal trade: that in fact the effect of a strike on demand for coal could long outlive the strike and could create a lack of confidence in New South Wales as a supplier of coal. (See page 122).
The substantial fall in coal shipments from Newcastle to Victoria and New Zealand in 1909 and 1910 appears to support this view but there were signs that 1909 shipments would not be so high as in 1908 before the strike.

| TABLE 35: SHIPMENTS OF COAL FROM NEWCASTLE TO VICTORIA AND NEW ZEALAND 1907-1914 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|
|                                     | 1907   | 1908   | 1909   | 1910   | 1911   | 1912   | 1913   | 1914   |
| New Zealand                         | 339    | 416    | 393    | 318    | 333    | 334    | 623    | 537    |
| Victoria                            | 934    | 1,116  | 927    | 941    | 816    | 1,029  | 1,104  | 1,145  |

Source: N.S.W. Department of Mines Annual Reports 1907-1914.

Victorian collieries appear to have received a strong stimulus from the cessation of coal imports from New South Wales in late 1909 and early 1910, but the increased price of coal under the Vend of 1906 would also have assisted the local producers. Victoria produced 113,000 tons of black coal in 1908, 128,000 tons in 1909 and 369,000 tons in 1910. In 1911 this state raised 654,000 tons of black coal and in this increase probably lies the explanation of the further fall in Victorian imports of Newcastle coal in 1911. New Zealand, too, appears to have turned to other sources of supply in 1910 and 1911.

The tremendous expansion of the New South Wales foreign trade from 1,651,000 tons in 1905, to 2,701,000 tons in 1906 and 3,364,000 tons in 1907, was the most spectacular marketing achievement in the history of the industry. The port of Newcastle shipped greatly increased amounts of coal to the Philippines, the Straits Settlements, Mexico, Chile and Java in 1906; in 1907 it was the United States which provided the biggest increase with shipments reaching 554,000 tons, (91,000 in 1906) but there was also a substantial rise of 180,000 tons to Chile in 1907. (See Figure 22)

Newcastle's exports to San Francisco, the principal North American market, had been in decline, apart from one increase in 1903 which was probably due to the diversion of British ships from general cargo carrying to Boer War service since 1901 and an increase of 463,000 tons suggests that this was also an abnormal year.

The San Francisco Port Authority records do not reveal the origin of coal imports for that year but it is clear that there must have been a major interruption to the supply of coal from other sources. San Francisco imports of English coal are not available but they dropped only very slightly for the United States as a whole and 1907 was a good year for the English industry which was not disrupted by major strikes.
The British Columbia mines also appear to have enjoyed a good year and so the explanation of the increase may lie in the United States, itself, where about 45% of San Francisco's coal was being produced. The year 1907 was economically disastrous: numerous bank crashes occurred and some railway companies closed down for long periods. The good fortune of the N.S.W. exporters may have been the result of an interruption to the supply of American coal by railway to California.\textsuperscript{13}

---

FIGURE 22: EXPORTS FROM NEWCASTLE TO THE PRINCIPAL FOREIGN MARKETS 1905-1916

- Straits Settlement
- U.S.A.
- Chile & Peru
- Philippines

In the years from 1906 to 1914, inclusive, J. & A. Brown produced more than 6,650,000 tons of coal. (See Table 55) Over 4,500,000 tons of this case from Pelaw Main as the Minmi collieries, Duckenfield and Back Creek, neared exhaustion and as preparations were made to replace them by bringing a second Greta Seam mine, Richmond Vale into production. (See pages 265.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Minmi</th>
<th>Pelaw Main</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1903</td>
<td>343</td>
<td>230</td>
<td>573</td>
</tr>
<tr>
<td>1904</td>
<td>270</td>
<td>337</td>
<td>607</td>
</tr>
<tr>
<td>1905</td>
<td>310</td>
<td>342</td>
<td>652</td>
</tr>
<tr>
<td>1906</td>
<td>372</td>
<td>328</td>
<td>700</td>
</tr>
<tr>
<td>1907</td>
<td>335</td>
<td>442</td>
<td>777</td>
</tr>
<tr>
<td>1908</td>
<td>316</td>
<td>551</td>
<td>869</td>
</tr>
<tr>
<td>1909</td>
<td>193</td>
<td>563</td>
<td>756</td>
</tr>
<tr>
<td>1910</td>
<td>145</td>
<td>610</td>
<td>755</td>
</tr>
<tr>
<td>1911</td>
<td>165</td>
<td>571</td>
<td>736</td>
</tr>
<tr>
<td>1912</td>
<td>163</td>
<td>640</td>
<td>804</td>
</tr>
<tr>
<td>1913</td>
<td>168</td>
<td>634</td>
<td>802</td>
</tr>
<tr>
<td>1914</td>
<td>191</td>
<td>260</td>
<td>452</td>
</tr>
</tbody>
</table>

Source: Records of Coal and Allied Industries.

This vast output of coal was produced, between 1906 and 1911, under the protection of a Vend which enhanced its price and made it possible for Browns to carry on both the interstate and foreign trade profitably until 1910 (See page 244) and probably afterwards.

THE ESTABLISHMENT OF THE VEND.

From 1893 until 1905 efforts to secure co-operation among the colliery proprietors of the Northern District to increase the price of coal came to nothing. In 1906 a third Vend was arranged and the proprietors found themselves able to agree not only on price but on an apportionment of the trade between them. A strong demand for coal was a necessary condition for agreement among the proprietors on these matters but expanding trade was not sufficient to explain the appearance of the Vend in 1906. It had not produced one in the booming demand of 1900.

The force which brought the Northern Proprietors together in 1906 was fear, fear of exclusion from the Australasian coal trade by the Melbourne Shipping Ring. (See page 182 for its function and formation.)
John Brown had resolved to oppose the Shipping Ring in 1903 (See page 183) probably because of his passion to be independent of any other person or firm. In 1904 he wrote a letter to "The Newcastle Morning Herald". As usual his letter was vague, suggestive rather than informative, but he had grasped an essential point, that the Melbourne Shipping Ring, having almost complete control of the carriage of coal interstate and to New Zealand, in conjunction with the Union Steamship Company, and being in part or whole, the owners of some collieries in the Northern and Southern fields of New South Wales, were in a position to discriminate against the coals of other proprietors in these markets.

"We not only see them as steamship owners, but we see some of the large steamship companies becoming shareholders in certain collieries in this district, sufficient to cause the colliery proprietors to think what they will not be in the near future. If the colliery proprietors of this district are not careful, now that the price of coal is low, shares will probably be the same, and we know what might happen if something is not done.

We see no reason why the leading collieries should not at once get together and discuss the matter and deal with the question, and make the money themselves, instead of giving their coal away to these steamship owners, as they have been doing and are likely to do unless they alter their tactics." 14

A similar but better articulated view was expressed by another colliery proprietor in June, 1905. After referring to the strength of those steamship owners with colliery interests, he wrote:

"If we leave things as they are we are certainly bolstering up with their colliery trade and they can snap their fingers at us. So long as we all stuck to our own trade there was no harm done. But they have deliberately entrenched on our ground and we must seek for our own protection."

. . . . . . .

"The steamship owners are or should be merely our servants in the matter and carry our coals for us at a certain fixed price." 15

By this time the Northern proprietors were concerned at the growing coal interests of some of the shipowners. The wealth of the shippers, their control of freights and their power to produce coal threatened the other proprietors with exclusion from the large interstate contracts. "We are at their mercy in the matter of local freights", wrote one proprietor who suggested that the coal-owning shipping companies must be checked and restored to
their rightful status "as our servants and not our prospective masters." 16

The situation which provoked this alarm was the large interest of the Adelaide Steamship Company in Seaham and Abermain collieries and the controlling interest of Howard Smith & Co. in Caledonian Collieries, which had a potential capacity of 1,000,000 tons per annum. 17

The combination of shipping and coal interests within some of the shipping companies appeared threatening not only to the colliery proprietors but also to those shipping companies which did not have collieries; they feared that they would find it impossible to carry on in the interstate coal trade. This situation evoked a tentative alliance between one of the shippers without a mining interest and a mining company without shipping interests. 18

In December, 1905, the A. A. Company Superintendent approached John Brown about the possibility of a combination of the principal colliery owners to offset the power of the coal-ship owners. Brown was the first proprietor approached, partly because he was considered far too powerful to be left out and partly because both he and Learmonth were in Melbourne at the time. He reacted favourably, suggested a line of action but did not give any details of the form the combination might take. He suggested that the organization of a combination proceed without the coal-ship owners until it reached such strength that they could not ignore it and that they then be invited to join. 19

John Brown's interest was accepted as sincere because the principal proprietors whom he suggested should be contacted were "nearly all his deadly enemies." One of them was his cousin, Alex Brown, who had left J. & A. Brown more than 20 years earlier. John and Alex acted amicably within the association's meetings but did not speak outside. 20

Seven proprietors met in January in Newcastle and decided to form an association. All but John Brown considered it best to invite the coal-ship owners to take part from the beginning; he was persuaded to agree to this course and became a member of the four-member sub-committee entrusted with the detailed arrangements. John and two other representatives travelled to Melbourne to talk to the Shipping Ring on behalf of the proposed colliery proprietors' association. 21

The Shipping Ring had itself proposed in 1902 that an agreement be made which would ensure the Northern proprietors a satisfactory price for their coal. The ship owners had no objection to an increased price but desired it to be uniform. 22
The three colliery proprietors proposed that a selling price be fixed for the Northern Coal required by the Shipping Ring, that they should agree to deal only with the Associated Collieries and that they should fix a maximum freight to interstate ports which would ensure that the price of coal would not be unduly high to the consumer and so that competition from other sources would not be stimulated. The ship owners agreed to these proposals but objected to Brown's stipulation, as steamship owners with their own coal yard in Melbourne, "that they should stand on the same footing as the ring and get their share of the carrying." Brown's activities in the interstate trade caused them initially to reject this claim though John Brown displayed an attitude which was described as "very reasonable." The ship owners decided to meet to discuss the matter further.

As negotiations proceeded the details of the colliery proprietors' proposals were revealed. The combination was to be similar to the old Vends but with a guarantee fund of 1d. per ton produced by each proprietor to ensure loyalty to the Association. There was also to be another fund, "a fighting fund" of 3d. per ton for every ton sold: on an expected output of about 4,500,000 tons this would amount to 256,250 per annum. The purpose of this fund was not discussed by the proprietors but as one of them reported

"I think we all understand that should any colliery outside our association attempt to start a --- business and cut prices we shall use these funds to crush them." They also had it in mind to use this fund to provide their own shipping if the ship owners refused to co-operate.

By March 1906, the Colliery proprietors were also concerned about two features of the Vends type of organization: its illegality and hence its inability to use the courts to sue defecting members. To overcome these weaknesses an alternative scheme providing for the formation of a limited liability company in which all the member companies would own shares was proposed. The members would sell their coal to the Limited Liability Company at a fixed price, e.g. 6s. 6d. per ton and would then buy back their coal at e.g. 9s. Od. per ton leaving the "profit" so earned by the distributing company to be eventually redistributed to the producers unless they infringed the rules of the Association. This was a scheme providing simply for the retention of a company's profits, or a portion of them, to ensure that it maintained the declared selling price of coal: it had the advantage of legality and it suited the colliery proprietors but the coal-ship owners objected. They demanded the right to sell at 1s. Od. per ton less than the other proprietors: this was rejected but they were offered a reduction of 6d. per ton and this they considered inadequate. Their motives were
suspect to the coal owners who considered that they were rejecting a proposal which would earn them from £50,000 to £75,000 per annum, only because they wanted to delay matters until they had developed their own collieries sufficiently to be independent of the coal owners.\textsuperscript{27}

The colliery proprietors therefore decided, in March, 1906, to form their association and to fight Howard Smith and the Adelaide Steamship Company while there was still time. They planned to refuse them coal, other than contract coal, and to offer to sell to the other companies in the Ring, Huddart Parker, the Melbourne S. S. Company and McLlwrath Mcmahern oncondition that they did not resell to the former two. If the Shipping Ring members refused to be split in this way the colliery proprietors would boycott them all and sell through the ship owners outside the Ring, such as Scott Fell and Gibbs, Bright, carefully adjusting their selling prices to force the coal-ship owners to sell their coal at a loss, until they were forced to join the Association.\textsuperscript{28}

In response to this threat the members of the Ring without coal interests agreed to leave the Ring and carry the Associations' coal should the proprietors decide to refuse to sell to Howard Smith and the Adelaide S. S. Company and the Association proceeded to set up a Vend of the old type as a temporary measure until the legal Limited Liability Company plan could be instituted.\textsuperscript{29}

All the Northern District Coal Companies, with the exception of the two recalcitrants and the Teralba seam collieries, whose inferior coal made it difficult for them to be incorporated in any uniform price maintenance scheme, supported these arrangements. The initial Vends of the members were allocated. J. & A. Brown received a quota of 735,000 tons and the Vends of ten others ranged from 592,500 tons to 63,000 tons. As these arrangements were concluding, the Adelaide Steamship Company joined in and it appeared that the forebodings of those who expected that the old rivalry would destroy this painstakingly negotiated unity, had been groundless. It was at this stage that the Wallsend Company demanded an increase of 100,000 tons in its Vend and objected to two vital principles of the Association including the provision for the regulation of the foreign trade through a London Board. For a time the Association's very existence was at stake then it was decided to proceed even though the Caledonian Company and the Wallsend Company produced about one quarter of the Northern output.\textsuperscript{30}

The Newcastle Board was set up to regulate the Australasian trade: it met rarely, leaving its day to day business to four employees of the various companies, including the shipping manager of J. & A. Brown. All members sent daily lists of contract coal to be supplied for the interstate trade and
indicated what other coal they had available. The shipping companies' representatives then applied for coal to this committee which allocated what was available. 31

The Caledonian Company joined the Association in September and the Vend was by then well launched, the price of coal having already been increased on 30th March to 9s. Od. per ton for large coal and 5s. Od. per ton for small. However, two new threats to its voyage towards regulated prosperity had developed. The miners were striking at various collieries and demanding an increase of 8d. per ton in the hewing rate to apply from September 1st, 1906, and one of the shipping companies outside the Ring, Scott Fell & Company was preparing a case against the Coal- Shipping Combine for restraint of trade under the Australian Industries Preservation Act. 32

In response to the miners' actions the Association implemented provisions already existing in their "indentures" to deal with strikes and decided to support any "victimised colliery." A levy of 3d. per ton was struck for this purpose and the Northern Colliery Proprietors' Defence Association, having been conceived in the early stages of the life of the Association emerged into the industrial environment of the Northern District. 33
(See page 253).

In reply to Scott Fell's action, the Association decided, on legal advice, not to sign any articles of agreement but to do as the Shipping Ring did, have an unwritten agreement. 34 The results of Scott Fell's actions are discussed below. (See page 249)

The London Board was formed in October 1906 to transact all foreign trade business; it consisted of the representatives of six firms including J. & A. Brown. No shipowner or coal buyer was to be allowed to act as the representative of one of the producers, 35 in order that the Board could deal with shipowners and coal sellers without their having prior knowledge of the Board's policies.

The board's principal function was to maintain the agreed price of coal in foreign markets and only in "extreme cases" was it to reduce the price of its coal in order to retain markets. Companies whose coal was sold below the declared price were to be compensated by a fund established in Newcastle by levy; only occasional orders for short notice single cargoes for the foreign trade were to be accepted in Australia. 36 Compensation was also made to companies supplying cheap coal in the interstate trade.

Sales were to be made F.O.B. Newcastle or C.I.F. but in the case of C.I.F. sales the London Board was to control the freight rate. 37 By the implementation of these principles the proprietors hoped to establish rigid price maintenance and to avoid the practice of disguising price reductions
by claiming lower than actual freight charges.

Increased prices were announced for 1907, 10s. Od. per ton large
and 5s. 9d. per ton small, the Wallsend Company, while not joining the
association pledged itself to maintain prices and J. & A. Brown finally
concluded an agreement governing the use of its vessels with the Shipping
Ring. William Brown refused to allow the Ring to buy out Browns' Melbourne
business though John Brown was prepared to accept this proposal: William
was probably still protecting the employee whom he had poached from the
Shipping Ring in 1903 for there had been no financial advantages from this
venture (see page 186).

The Association was consolidating and it moved to draw up a common
coal sales contract and to agree with some ship owners in England on a
suitable common charter party.39

By 10th October, 1906, the Vend was ready to be brought into full
operation at the beginning of 1907. At this stage its existence its
comprehensive nature was revealed in the press. It was described as
including thirty one collieries, the Great Northern seam collieries having
been admitted, and only the Wallsend Coal Company had not joined the
combination. In addition six steamship companies, Melvraith McEachern,
Haddart Parker, Howard Smith, Adelaide Steamship Company, James Paterson
and Company and the Melbourne Steamship Company were said to be involved.40
All but James Paterson and Company and the Melbourne Steamship Company were
in the Shipping Ring from its inception in 1902 and were active in the
interstate coal trade. The Melbourne Steamship Company appears to have
been admitted to the Ring subsequently and may not have carried coal: its
other member the Australasian United Steam Navigation Company was not
engaged in this section of the cargo business. James Paterson and Company
was admitted to the combine in 1905.41

The newspaper article which revealed the existence of the combine
also explained its preference for a verbal agreement and gave an assurance
that the public would not be exploited: the tenor of the article was one
of satisfaction.42

In November 1906 the Association won the Victorian Railways contract
for three years to supply between 200,000 and 260,000 tons of coal from
both Borehole and Greta Seam Collieries, in equal proportions, at 10s. Od.
per ton plus 4s. Id. freight.43 In December Browns lost the Sydney
Gaslight Company's contract to a Wallsend and Lithgow coal tender which was
only slightly cheaper for an inferior gas coal: the loss was attributed
to the Company's pique against the association.44
Two documents survive to demonstrate the working of this third "Vend" in the years 1908 and 1909. In 1908 the Associated Proprietors shipped 5,297,741 tons of coal: J. & A. Brown over traded by 19,034 tons and had to pay into the fund which was used to compensate collieries which had under-traded.

In 1909, when the quotas had to be amended after a year of poor trade (see page 228) Browns were found to have exceeded their Vend by 101,762 tons and had to pay compensation at the rate of 1s. 6d. per ton, that is £7,632. 3s. Od. In that year they were entitled to sell 16.03% of the total sales of the associated proprietors: this percentage was second only to the Caledonian Company's 17.1% but none of the other sixteen members oversold to this extent in 1909. The Vend operated in 1910 and it was to be renegotiated at the end of 1911. Its existence after that date is doubtful.

Before the formation of the Vend, Browns had lost money for several years in the overseas trade: they had lost in the interstate trade too as they struggled to establish themselves in a new market. (See pages 180 and 185) Little is known about their sales in New South Wales but it would appear that prices were very low in this trade too. The average value for all coal produced in New South Wales in 1905 and 1906 was considerably lower than the value of coal shipped either to Australasian ports or to foreign ports (See Table 57).

The rise in the price of coal to 9s. Od. per ton in March 1906, to 10s. Od. in January 1907, and to 11s. Od. in January, 1908, enabled Browns to carry on both their foreign and their interstate business profitably in 1907 and 1908. From the point of view of Browns this was the principal achievement of the Vend.

| TABLE 57: VALUE OF NEW SOUTH WALES COAL 1905-1914 (To the Nearest Penny) |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                          | 1905 | 1906 | 1907 | 1908 | 1909 | 1910 | 1911 | 1912 | 1913 | 1914 |
| Australian               | 7/8  | 7/9  | 8/3  | 8/10 | 9/3  | 10/1 | 10/4 | 10/5 | 10/6 | 10/6 |
| Foreign                  | 8/3  | 8/10 | 9/11 | 10/8 | 11/0 | 10/10| 10/10| 10/10| 10/11| 11/0 |
| Total Output             | 6/0  | 6/1  | 6/9  | 7/3  | 7/5  | 7/4  | 7/3  | 7/4  | 7/2  | 7/2  |

Source: N.S.W. Mines Department Annual Report 1914.

N.B. Most small coal would be sold in New South Wales and these sales would tend to depress the value of coal sold in the home state.

The improvement and maintenance of values after 1907 illustrates the value of the Vend to the colliery proprietors. It should be noted that the price levels which it permitted appear to have survived its dissolution probably in 1911, as the proprietors continued their Defence Association where their common policies against labour may have assisted them to maintain prices.
The Regulation of the Foreign Trade

The few surviving records of the Vend do not permit an assessment of its effects on J. & A. Brown's output or on the distribution of their trade but Figure 23 indicates a fall off in Brown's foreign trade ventures after 1907 and this may have been due to the operation of the London Board or simply to a decision on the part of the firm to devote more coal to the domestic trade. Felaw Main coal and Richmond Main coal after 1913, which were increasingly important to the firm (see page 266) permitted a greater concentration on this sector of the market. 48

![Graph showing output and foreign ventures](image)

**Figure 23**: J. & A. Brown's Output (1904-1910) and Foreign and Interstate Ventures (1904-1910)

Source: N.S.W. Mines Department Annual Reports and the records of J. & A. Brown.

Note. Brown's San Francisco ventures include shipments to other ports and hence sometimes exceed official N.S.W. export figures for that port.

Between 1906 and 1910 Brown shipped 456,000 tons of coal as "San Francisco ventures" at an annual average of 91,000 tons. "Valparaiso Ventures" amounted to 873,000 tons at an average of 195,000 tons per annum.

The "Sundry Ventures" totalled 300,000 tons in these years for an average of 60,000 tons.

Total shipments in this period amounted to 1,506,000 tons and they yielded Brown a total profit of £36,016. 5s. 6d. Substantial profits of £24,407 and £27,165 were made in the years 1907 and 1908 and there were
in the years, 1906, 1909 and 1910. (See Table 59).

**Table 59: Browns' Foreign Ventures and Profits and Losses (1906-1910)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Valparaiso</th>
<th>San Francisco</th>
<th>Sundry</th>
<th>Profit</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906</td>
<td>149</td>
<td>88</td>
<td>26</td>
<td>£3,338</td>
<td></td>
</tr>
<tr>
<td>1907</td>
<td>254</td>
<td>87</td>
<td>52</td>
<td>£24,407</td>
<td></td>
</tr>
<tr>
<td>1908</td>
<td>230</td>
<td>115</td>
<td>75</td>
<td>£27,165</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>244</td>
<td>42</td>
<td>99</td>
<td>£9,269</td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>97</td>
<td>103</td>
<td>48</td>
<td>£2,949</td>
<td></td>
</tr>
</tbody>
</table>


The increased prices arranged under the Vend were probably responsible for the profits in 1907 and 1908: the interruption to trade occasioned by the strike of 1909-10 may have converted the year's profits into losses.

The position of Browns vis-à-vis the London Board seems to have been that Browns, and others wishing to send coal foreign on their own account, would ask the Board to arrange for the chartering of the vessels required. Since the prices ruling in the foreign markets were known and the charter rate was also known to the other members of the board, it would have been difficult to sell coal at less than the declared selling price.

The 1909 decline in Browns' foreign ventures may be attributed to the strike as their Ventures in the first half of 1909 were on the same scale as in the same period of 1908. The 1910 decline also occurred in the second half of the year when, for no apparent reason there were neither South American nor "Sundry Ventures": the only ventures being undertaken were for the San Francisco market.

The nature of the controls exercised by the Boards over the proprietors is revealed, by a letter of 5th December, 1907. In discussing the San Francisco market, the writer, a proprietor, referred to San Francisco market where Andrew Weir and Company, shipowners and part owners with Howard Smith of Caledonian Collieries, were pushing the sales of their Aberdare coal. They were able to do this by reducing freights while preserving the appearance of maintaining the declared selling price of Northern coal. Two coals were highly favoured in the market, Felaw Main and Hebburn but J. & A. Brown were prevented from selling any more coal there by the Association.

The regulation of price in the foreign trade proved to be very difficult: by the middle of 1909 it was rumoured that Browns and two other proprietors were selling coal in the foreign market at prices which left
only 7s. 6d. for the coal. By then the agreement had broken down and the London Board was awaiting the visit of some of the Associated proprietors when, it was hoped, a more "equitable" means of conducting foreign sales could be determined. 52

One of the difficulties impeding the work of the London Board was the system of chartering in use by Browns and one other proprietor, Andrew Weir. Browns would occasionally take out a time charter on a vessel and use her for several cargoes: in this way they were in a position to disguise the freight component in the price of their coal in foreign markets. 53 With the price of coal maintained at a relatively high rate such as 10s. Od. or 1ls. Od. per ton, high freight rates could raise the selling price of exported coal to the point where it was unsaleable and where other competing coals were preferred. In these circumstances, Browns would have been tempted to pay the higher charter rates and sell at a reduced price rather than reduce output and leave the foreign markets to their competitors.

The Wallsend Company represented another problem: it had agreed to charge the same prices as the Vend, though outside it, but it was not a member of the London Board and so did not share in its joint chartering for all the Associated Proprietors, though they endeavoured initially to cooperate with Wallsend in the chartering of vessels. Since it was competing in the same freight market as the London Board it could offer a higher freight than the market allowed the Vend Collieries to accept and then reduce its price to sell in the foreign market. It was suggested that Wallsend was prepared to offer 1s. Od. or 1ls. 6d. per ton more than was necessary to obtain the charter and that shipowners took advantage of this by holding out for higher rates from all charterers. 54

The most serious of the London Board's difficulties, however, was that their power as a Chartering Ring was limited by their financial interest in only one export commodity, coal. When, for example, tonnage for wheat was in demand from Australia, coal charterers had to offer increased rates to attract the ships they required, having to pay higher or lower rates depending upon the market for the carriage of nitrates to Europe. 55

The annual exports of wheat from Australia varied in the most extreme fashion but when there were substantial surpluses available for foreign use the demand for wheat ships tended to deprive coal exporters of tonnage. The demand for wheat tonnage was usually strongest in the harvest season, say November, December and in succeeding months. In 1909, it had fallen away by April. 56

Out of the 1909 discussions in London came the proposal that all the Associated Proprietors' coal be sold through one agent under the supervision of the London Board. 57 This, it was suggested, was the only way to ensure a distribution fair to all intending exporters. This proposal was rejected on two grounds: the cost of setting up offices for chartering ships and
distributing coal: and the objection of Browns and Andrew Weir & Company to the loss of their coal agency - chartering business which together amounted to two thirds of the Australian foreign trade. Weirs suggested that they and Browns act as agents to all and handle the whole trade guaranteeing the full standard price to all the proprietors. Objections to this scheme came from proprietors who argued that they would lose their identity in foreign markets, and, should the scheme fail, Browns and Weirs would be in possession of field.  

While negotiations were proceeding Browns were selling large quantities of coal in San Francisco at prices which yielded them about 9s. Od. per ton instead of the 11s. Od. per ton they had promised to uphold. A rival agent in that port forecast:

"If this continues Brown will be able to secure complete control of the Australian coal trade in this market."

When questioned about these sales John Brown variously denied he had obtained less than 11s. Od, admitted he had sold for less than 11s. Od, but blamed his San Francisco representative for the reduction, and finally, justified sales by alleging that one of his rivals in San Francisco was running up freight against him. The last excuse provoked the comment from another rival:

"Browns are equal sinners in running up freights against others when it suits them to do so."

One of the most interesting aspects of this affair was raised by L. Learmonth of the A. A. Company, who trusted John Brown and who was trusted in return: he asked why Browns would take 9s. Od. in the foreign trade when they could easily obtain 11s. Od. in the interstate trade. The secretary of the A. A. Company replied:

"I would point out that Brown's tactics, as far as they present themselves to me are to secure as much trade for foreign ports as possible and so establish a substantial market for their coals probably in view of opening out their Richmond Vale property."

In February 1910, the Associated Proprietors entrusted the sale of their coals to the two firms, who constituted the Central Selling Agency, J. & A. Brown and Andrew Weir & Company. Hereafter orders for coals were transmitted by the Agency to the colliery proprietors and when individual proprietors had extra coal available they approached one or both the agents who sold the coal if they could. The success of this system was imperilled by the undercutting of the Wallsend Company which led to the Association's deciding in 1910 to cut its own price when competing with that company.
By September 1910, some of the companies were objecting to the sole agency for their coals being vested in J. & A. Brown and Andrew Weir & Company: it was argued that sole selling rights could only be conceded to an agency over which they maintained some control. 65 The Central Agency opposed moves towards the establishment of additional agents claiming that it re-open the possibility of competition leading to price reductions. 66 The existence of the Central Selling Agency was also endangered by rivalry from within.

In September 1910, Browns were accused of reducing the price of their own and other coals in foreign markets. They admitted it and blamed Weirs who, Browns alleged, were intent on destroying the Association; they refused to elaborate on this charge but later letters from London revealed that late in 1910, the Association was jeopardized by the Caledonian Company's use of Andrew Weir's steamers which plied from Australia to the Pacific Coast of Northern America: the two companies were interrelated and the Caledonian Company obtained cheaper freights than its rivals in this way. 67 This crisis appears to have been avoided as Weirs and Browns continued to act jointly on behalf of some at least of the proprietors but by July, 1911 open competition was again prevailing in the foreign trade between collieries outside and inside the Association. 68

The situation was improved by a compromise settlement between the Caledonian Company and the Association over its 1910 penalty for exceeding its Vendi: it was allowed to pay £7,599 less than it owed, in order that a new agreement to include Caledonian could be arranged. 69

The Association limped into 1912 with serious dissension among its members and Browns and Weirs, apparently still its agents, at loggerheads over the chartering of vessels and the selling price of coal. 70 Competitive price cutting was going on between its members in March, 1912 but shortly afterwards a system of multiple agents was introduced in conjunction with an agreed system of chartering which was described as working smoothly. There was also a common policy about the submitting of tenders and the proprietors engaged in the overseas trade were described as "a happy family" in the negotiation of freights. 71

No further definite information about the Proprietors' Association's attempts to regulate the foreign trade have been discovered. When, in 1913, the Colliery Proprietor's Defence Association discussed the state of the South American market and the Indian market, the minutes of their meetings contained nothing to suggest continuing efforts to regulate the foreign trade. 72

However, in the papers of the A. A. Company and dated simply 1913, is the draft of an agreement which provides for the export of coal outside Australia and New Zealand: its stated aims were to reduce costs, to maintain price and to prevent competition among New South Wales exporters. J. & A.
Brown and five other large producers were named as parties to the agreement and each of these had been given a quota. Browns and two other producers had been allocated 421,000 tons or 25.2% of the whole anticipated Veld of 1,668,000 tons. The document yields no information as to its having been implemented but it indicates Brown's continuing importance in the foreign trade and its importance to J. & A. Brown.

The Regulation of the Interstate Trade

The history of the Association's regulation of the interstate trade is far more difficult to establish than its endeavours in the foreign trade; there was no question of the legality of such control over the foreign trade but the Veld governing interstate sales was challenged from its initiation.

Scott Fell had first protested against the Coal-Shipping Combine in 1906 but his complaints continued into 1907. As a shipping agent he sought coal for interstate and foreign markets from the Associated Proprietors; he was consistently refused coal for interstate orders and for New Zealand but not for foreign markets. New Zealand apparently was considered the preserve of the Union Steamship Company. The solicitor to the Association, himself a colliery proprietor, advised them that they could legally refuse Scott Fell coal for the Australasian trade because they had appointed sole agents in these markets but that they could not refuse him coal for the foreign trade.

Scott Fell announced his acceptance of the Coal Veld but directed his criticism at the Shipping Ring which he claimed should be the object of legal action under the Australian Industries' Preservation Act for restraint of trade. His criticism of the Ring intensified when he found that the Southern Coal Owners' Association also refused him coal for interstate trade. He alleged that:

"the Southern Collieries are more or less in the hands of the shipping combine so far as the interstate trade is concerned."

Scott Fell passed on his evidence against the Shipping Ring to the Attorney General and in May 1910, the Fisher Government, having been re-elected, decided at its first Cabinet meeting to proceed against the Coal-Shipping Combine and in making the announcement W. M. Hughes revealed that preliminary investigations had been made in 1909. Late in May writs were issued against the companies concerned.

Though the Associated Proprietors took action from the earliest days of the Veld to protect themselves against possible prosecution, for example, they signed no agreement, there is some evidence to suggest that they did not really believe a prosecution would eventuate or that their Veld and the agreement with the Shipping Ring were illegal. As late as July 1910, one
proprietor was writing to another expressing his inability to understand how the agreement of the coal owners could be said to be in restraint of trade. He was inclined to regard it as one more of the "many heavy blows against capital." 79

In 1907, in response to a suggestion that an agreement be reached with Penwick and Company to regulate the towing of vessels in Fort Jackson, John Brown insisted:

"I will not, nor will I assent to any one in the firm's employ doing anything contrary to the Act." 80

John's refusal to go beyond the law is consistent with his pride in J. & A. Brown and its reputation but his strong rejection of William's proposal was probably influenced by his desire to repress William, who was interfering in the management to an extent unacceptable to his brother, and to his ill-feeling for the rival tug company. (See page 170).

When the Federal Government's Comptroller-General submitted a series of questions to Browns and the other coal firms in 1908, John Brown took legal advice and then informed William that he wished to avoid a prosecution of "our firm." The coal companies had decided not to answer the questions and John believed that one of the firms which refused to co-operate would be prosecuted so he was writing a letter to the Federal authorities explaining that his firm was in a different position to the other companies. 81

His colleagues in the Proprietors' Association were concerned at his intention lest it harm them and John agreed to submit it to a barrister for his consideration. He advised that it could do no harm and that it might serve to embarrass the Government. 82

The case, The King and the Attorney General and the Associated Northern Collieries and Others did not come before Isaacos J. in the High Court of Australia until April 1911.

J. & A. Brown and the other colliery proprietors and shipping companies which were members of the Vend and parties to its agreement with the Shipping Ring were charged with having:

"after the commencement of the Australian Industries Preservation Act, 1906, formed and entered into and engaged in a combination or combinations, which were specified, which was or were in restraint of trade and commerce among the states to the detriment of the public..." 83
Browns and the other defendants denied the charges against them and the Attorney General produced witnesses whose evidence provided a detailed description of the nature of the Vend and its arrangement with the Shipping Ring. The monopolistic nature of the interstate coal trade was revealed, the increased prices prevailing after the introduction of the Vend in the various states were proven, and the refusal of the Associated Proprietors to sell to any but the members of the Shipping Ring was demonstrated during the long court proceedings. 64

While Thomas Colbatch, chief officer in charge of stores for the South Australian Government, was giving his evidence in May, 1911, the Court enjoyed one of its lighter moments as he described a previous visit to Newcastle and an interview with John Brown.

Colbatch described Brown as "a tall man who had whiskers, and was a very keen commercial man" (laughter). He informed him that his Government intended to alter its system of coal purchases by calling for separate tenders, instead of one as formerly, for the supply and for the carriage of its coal in order to reduce its cost. Colbatch admitted he was a novice in the coal trade and asked Brown's advice. He was told that he was indeed a novice if he thought he could get two contracts cheaper than one.

Browns argued before the court that they were not concerned in the estimate of coal required for the interstate trade. They had their own collieries, carried their own coal in their own vessels, had their own depots and served their own customers. 65

It was argued that Browns were in direct competition with the Shipping Ring but this was challenged by the prosecution who adduced evidence of uniform tenders submitted by Browns and the other shipping companies and in his judgement Isaac J. pointed out that J. & A. Brown had not only submitted uniform tenders but stood "in a more advantageous position than the other tenderers" as they earned two profits: one on the coal and one or its carriage.

Browns were not treated as shipowners in the prosecution but merely as colliery proprietors and members of the Vend and it was in this capacity that the Court found them guilty of infringement of the Australian Industries Preservation Act. They and their fellows in the Vend and Shipping Ring were judged to have limited competition, forced competitors out of business and raised coal prices, especially in interstate markets, to the detriment of the Australian public. Each of the defendants was fined £500 and they were ordered to pay the costs of the prosecution. 66

When the Adelaide Steamship Company appealed against this decision to the Full High Court, the decision was reversed on the ground that the Coal- Shipping combine had not been proven to be restraining trade to the detriment of the public. 69
The high incidence of industrial disputes at Pelaw Main did not end with the granting of a tonnage rate to machine men and their assistants at the end of the 1905 strike. (See page 221). In February 1906, the Pelaw Main machine men were complaining about their earnings under the Court's award of 54d. per ton for machine men and 4d. per ton for their assistants. They claimed they could not earn "a living wage." John wrote to the press on this issue: he quoted figures for wages earned by these men between 7th October and 30th December, 1905 and ranging per machine man per shift from 10s. 9d. to 16s. 8d. and for their assistants from 8s. 7½d. to 13s. 4d. He considered these earnings disproved the miners' claims about failure to earn "a living wage."

"The public will at once see whether these men can make a living wage or not, which is the award of the court, and signed by the federation, and registered as an industrial agreement. I ask the federation and its members publicly if it is their intention to carry out that award, or any award made? If not, what is the use of any employer wasting his time going to the arbitration court under such conditions, or even recognising the federation? If men are not satisfied they have a legal right under the agreement to appeal to the court, but they are not justified in taking the law into their own hands and stopping a colliery whenever they think fit. No business can be carried on under such conditions as have existed owing to the actions of the Pelaw Main men in the past."  

Brown went on to argue that the Federation could control its members, if it really desired to, by expelling them and supplying new workers to replace them. He considered it was the Unions' duty to do so.

"An award is the law of the country and compulsory arbitration was passed by Parliament at the request of Labour and yet they refuse to comply with the decision of the Court."  

This dispute was settled by compromise on 27th February, 1906 but in June, the colliery was stopped by a sudden strike on the part of the clippers, boys who clipped skips onto the haulage cables, who were supported by the wheelers: they demanded a uniform rate of pay of 5s. 0d. per day for clippers, 9d. per day more than their award.

The Committee of management of the Colliery Employees' Federation condemned their action and urged a resumption of work but the clippers refused to return. After the loss of several shifts of work the miners declared they would work without the strikers, the chairman of the lodge stating:
"if the lodge was to be ruled by half a dozen boys, it was time the federation was blown to the four winds of heaven."

John Brown wrote to The Newcastle Morning Herald once more:

"I wish to state publicly how the workmen of Pelaw Main value an agreement. Last Monday night ... the 21 clipper boys failed to turn up, laying the colliery idle in consequence, at a moment's notice, and demanding 5s. Od. per day ... Rather than be subjected to annoyance at having the colliery stopped by boys, instructions were sent to the manager to employ men only and pay them wages according to the Hebburn award scale. But although prepared to take this step the manager is told that he has to employ and pay these boys who have left the colliery at a moment's notice, and who are consequently no longer in the employ, and that, as he can pay men their wages for doing the work, that he will pay the boys the same wages, also we are bound to employ boys: whether we wish to do so or not."

In July, after their return to work, the District Officers of the Federation requested a rise for these clippers: it was refused and they struck work but on this occasion the miners operated the mine without them.

Between April and September of 1906 another issue was threatening to cause an interruption to the working of the Greta Seam collieries including Pelaw Main. The miners were objecting to working the third shift or "dog watch", from 11.00 a.m. to 7.00 a.m. which was in use regularly only in these mines. The owners resisted, were supported by the Mines Department's Inspector, were threatened with a refusal to work/shift and then agreed to confer with the miners on this question.

Meanwhile, with numerous disputes stopping their collieries, four were thrown idle by their wheelers' refusal to work in June - July 1906, the Associated Proprietors, having organized their Vend, met on 27th June and resolved:

"That this meeting of Colliery Proprietors of the Hunter River District do hereby form an Association to be called the Hunter River District Colliery Proprietors' Defence Association for the purpose of regulating the hewing rate and other wages paid workmen and for defence purposes generally."

This association was similar to its predecessor which had been active in the period from 1885 to 1896 and which thereafter met rarely owing to the weakened state of the union in the late 1890's. There had been a Northern Colliery Proprietors' Industrial Union formed to permit joint action before the State Arbitration Act but this had not been comparable in scope
of activity to the earlier organisation; nor was it to compare with the new
Defence Association. 99

The proposals which became the basis of the Association's statement of
policy, began by reciting, in words rich in historical associations,

"It is hereby unanimously agreed that the irregular and unwarranted
demands made by sections of labour at the various Northern Collieries
be resisted as they arise by the owners of the collieries." 100

The new Defence Association immediately established a fund from which
proprietors whose mines were idle could be compensated at the rate of 1s. 6d.
per ton and the 29 collieries covered by the Association were levied on
monthly tonnage basis to provide £5,462.13.6. Brown's contribution for
Pelaw Main was £376.15.3. and for Minmi £415.18.3. This Association was to
continue in operation and to pay compensations for strikes until at least,
1914. Its members also pledged themselves to assist proprietors whose
employees were on strike by providing them with coal at the normal price to
fulfil their obligations under existing contracts. 101

A Managers' Association was established to provide the managers of the
collieries in the Defence Association with a means of arranging common
policies in dealing with their employees and to enable them to advise the
Defence Association on conditions in the collieries. 102 It was also to prove
useful to the proprietors, who retained the wage fixing function, in fending
off requests from the Miners' union, and in facilitating the formulation and
pursuit of common policies in the various mines. In this way it was hoped to
avoid the miners making piecemeal improvements in wages and conditions by
securing an advance at one mine and using it as the basis for other claims.

The wheelers, who were demanding wage increases at this time, were
complaining about their conditions of work and the cost of living which was
rising. 103 They were receiving about 6s. 4d. per day, in some cases less and
in others more, and they claimed that they had no union to support them.
Apparently they did not all belong to the Colliery Employees' Federation
though they were eligible to do so. 104

One of the forces producing friction among the miners may well have been
the existence of the "Vend." R. A. Gollan has shown that the miners' leaders
put pressure on the proprietors to induce them to organise a Vend. 105 As he
also asserts, this pressure had been exerted "in earlier times" but / was not
in a position to have much influence on the proprietors in this regard in
1906: the miners had long wanted a Vend because of the high wage rates
which the system permitted but there was no indication that their efforts
would be any more successful in the early 20th Century than they had been
in the late 19th Century. The 1906 Vend was the result of the threat to
the interestate trade of the Northern proprietors represented by the coal
owning members of the Melbourne Shipping Ring. (See page 236).

Knowing that the Vend had come into existence and that prices had been raised to 9s. Od. from 20th March, 1906, it was small comfort to the miners, who had been paid on a 9s. Od basis for more than a year, to have the assurance of the proprietors that they would raise wages as soon as they could. Vends were normally associated with increased wages but no increases had been forthcoming; perhaps this was the irritant producing unrest, especially among the lower paid mine-workers, in June and July 1906.

Fortified by the existence of the Defence Association, the proprietors of the Baitland Collieries conferred with their miners on the future of the third shift. The miners' spokesmen argued that the third shift had been introduced to enable the new coal field to be developed and that it was an injurious and retrograde development for which there was no longer any justification. They claimed that three shift working was responsible for a higher death rate among Baitland miners, that this would lower the birth rate and that "it was thus detrimental to the best interests of the country." On a lower plane they objected to three shift working because of its disrupting effect on the miner and his family. The seven proprietors concerned argued that abolition of the shift would reduce production, would increase costs and would thus be injurious to the industry. The conference broke up with neither side relenting.

By the 3rd September the proprietors had offered to abolish the "dog watch" at Felaw Main, Aberdare, Hebbum, Heddon Grate and probably at Abermain at the end of 1906 but preserving it at two collieries where special conditions prevailed. This offer, the owners suggested, would ensure that seven-eighths of all the miners concerned would cease to work the dog-watch at the end of 1906. The miners continued to demand an immediate end to the third shift and worked out their fourteen days' notice of their intention to cease work until it was abolished.

In response to a suggestion in the Melbourne Argus that the miners were responsible for the strained relations in the Baitland Collieries, Peter Bowling and James Curley asserted that:

"troubles which had existed at Felaw Main Colliery had been caused by the attitude of the employer towards his usual workmen by putting them in a position subservient to that held by the men brought from America,"

When the Felaw Main miners reported for work on 10th September at 7:00 a.m. they were told that it was useless their going to work on the day shift if they were not prepared to work the dog-watch the following week as they would not be paid for the day shift work. They objected to this "highhandedness" but could not reach the proprietors who refused to meet them. Two days later their tools...
were brought to the surface of the mine and left there for collection by the owners. 112

At a conference called to discuss the situation, John Brown asserted that the abolition of the third shift would be serious if it limited production, that Browns had invested £250,000 in Felaw Main and that he expected a return upon it, that prices had been down to 7s. Od. per ton while wages were assessed on a 9s. Od. per ton basis and that:

"the coal mining industry in Australia was the only industry in the wide world in which men claimed the right to say whether they would work at night." 113

After an adjournment the Conference arrived at proposals which were accepted by the lodges by which the third shift was to be abolished for all but machine men at the end of the year. In the concluding stages of the discussion, the chairman of the Proprietors' Association assured the miners' representatives that the days of competitive "throat cutting" and "price paring" were over as the proprietors were determined to obtain every penny they could for their coal.

"They were one now and their object was to keep up the men's wages. There would be no more cutting of throats ... they wished it to be clearly understood that they were doing nothing detrimental to the interests of the community at large. Their only object was to obtain what was fair, both for the colliery owners and for the miners." 114

By December 1906 the high incidence of strikes forced the Defence Association to reduce the amount of compensation from 1s 6d. to 1s. Od. per ton as thirteen proprietors were claiming compensation. The pattern of militant action by the underground workers other than miners was continuing and in December 1906 the Committee of the Defence Association, four proprietors one of whom was John Brown, revealed that in the case of the Hetton mine where the screenboys had laid the colliery idle in pursuit of a wage rise, the strikers had been prosecuted and had been found guilty.

"We are glad to be able to report that the Magistrate fined them £3.16.6. each in default 14 days imprisonment." 115

They had also instructed the manager to refuse to re-employ the ring leaders and to forward their names to the other colliery managers "for their information." Prosecution of striking workmen became common under the Defence Association's guidance in succeeding years, but the strikes continued.
Some proprietors tended to see the trouble on the Maitland Field as in protest against the coal cutters and in support of a further increase in the hewing rate which had been increased from 3s. 6d. per ton to 3s. 10d. per ton in January 1907. Another proprietor, writing in October 1907, referred to the great demand for coal in previous months and the high wages earned by the miners, suggested that good trade always raised their morale and claimed that Bowling was fomenting trouble and that there would be a strike if the proprietors were unable to restrain them. He described the year as one of continuous stoppages, of a thousand demands which were often "absurd", and reported the miners' talk of a general strike. The proprietors were beginning to feel that a general strike, while they were united would be better than another year of militancy.

Peter Bowling attributed the strained industrial relations to the actions of the proprietors. On the eve of the short general strike of November 1907 he reminded the miners that the formation of the Proprietors' Association had been welcomed but it had done more than was anticipated,

"it was gradually, but surely, bringing about a position in which the liberty and action of the federation was being curtailed as much as possible."

Bowling claimed to have perceived the nature of the threat in 1906 when the proprietors combined action had threatened the very existence of the Federation. In 1907 the proprietors had continued the same tactics and by co-operation with the managers were frustrating all the efforts of the Federation. The technique of the owners appeared to Bowling to be to confer but to do nothing about grievances and when a strike occurred, as at Hebburn where there was a safety issue as well as other grievances, the proprietors had, "in secret enslave" deliberated and then denied others not involved in the dispute, employment in Hebburn.

By the end of 1907 after sixteen months of existence, the Defence Association had collected in entrance fees and levies, £46,926.6.2, and had paid compensation amounting to £36,275.14.3. Broms had paid in £6,601.17.1, and had received £21,190.5.9, in compensation for three stoppages; only strikes of more than three days were compensatable.

The year 1908 brought no respite; Pelaw Main and Bank Creek were idle in January owing to an industrial dispute; both collieries were stopped again in March for short periods. In April and May there were stoppages at Pelaw Main and Bowling criticized the lodge for an "unnecessary" strike. He pleaded for unity and discipline.

The predominance of the wheelers and some other younger groups of colliery workers in these and earlier disputes is perhaps the fundamental question raised by the deteriorating industrial relations of this decade.
It has already been mentioned in the previous chapter, (Page 210) but its importance demands further attention.

R. A. Gollan attributes the rank-and-file militancy of the years 1907, 1908 and 1909 as being:

"in part a response to the ineffectiveness of arbitration but was also strongly influenced by the spread of a militant socialist ideology."124

It is difficult to accept that the failure of arbitration, as such, was of concern to either miners of other mine employees: the assertion about the influence of socialism may be correct as the militancy of the younger mine workers, in particular, may have been the result of radicalism untempered by either financial or family responsibilities since most clippers and wheelers were young and unmarried. It is likely though that these workers, occupying key positions in the transportation systems of the mines were apathetic about social questions and were interested in stoppages for the relief from work or merely for the sense of power the closing of the colliery on their behalf could provide.

At least equally likely is an explanation in terms of industrial, not political conditions: these workers had grievances, whether real or imaginary is unimportant, which the colliery proprietors refused to recognise or redress. With the formation of the Defence Association, the proprietors, already convinced that governments and unions were devoted to the sport of harassing capitalists, resolved to resist all increases in pay. When the West Wallsend firemen demanded 8s. 9d. per day early in 1908 on the ground that the Seaham firemen received that wage, the Defence Association instituted an investigation into Seaham's wage rate for fireman.125

The situation was aggravated by the miners' awareness of the higher incomes of the mine owners under Vedd conditions and by the increasing cost of living in the period 1901 to 1914.126

In this situation Arbitration offered another means of solving disputes but the proprietors, using the continuing strikes as an excuse, frustrated the proceedings of the Royal Commission set up to investigate wages and working conditions and so closed this avenue of amelioration also.127 In February 1908, the Defence Association reviewed the proceedings of the Commission and their counsel advised them that should there be a rupture of the proceedings they would be wise

"to endeavour to guide matters in such a way as to place the responsibility upon the court itself."128
He recommended that they seek postponements whenever a stoppage occurred and received their permission to conduct the case in this way.

With arbitration frustrated and the refusal of the proprietors to consider wage increases, some sections of the workforce sought the appointment of individual wages boards to hear claims involving sectional groups within the industry. The prospect of a number of boards, a proliferation of hearings and the possibility of wage increases provoked the proprietors.

H. A. Mitchell, General Secretary of the Federated Engine Drivers and Firemen's Association of Australasia, spearheaded the campaign to secure separate wages boards for his members and John Brown was most prominent in the refutation of his claims. Mitchell claimed a success in improving the conditions of engine drivers in Wollongong mines in 1900 and the Defence Association successfully opposed an extension of these concessions to the Newcastle mines. Mitchell then wrote to The Newcastle Morning Herald exposing the actions of the proprietors and John Brown, "(sic)" His letter reveals his industrial parochialism, his egotism and his muddled thinking and expression.

"I have been associated with mining in this district for nearly 40 years, therefore I claim to know something about what is required in the district, especially after all the experience I have gained during those number of years." (sic) [130]

"To read Mr. Mitchell's letters, that he has been publishing of late, one would think that he is the man to save this district from ruination. Well, we have had a good many of that opinion, but I don't know that we have had it realized, especially by men who know nothing about the coal trade, and that is the industry we have to look to in this district. And how is it best served? Is it by Mr. Mitchell's methods? I say unhesitatingly "No." To build up peace and prosperity in this district is what the outside public wish. Is that possible under Mr. Mitchell's scheme? I say "No."

"After a life-long experience, the proprietors and the miners agreed that the sliding scale was the only possible means to restore peace in the coal trade, by an up and down wage, according to the selling price of coal, to all employees engaged in this district, and that custom has prevailed for a very long time. We have only to go back a few weeks, when the wheelers, also the clippers, laid the different collieries idle, and see what effect it had, and the result it led to, viz., the miners taking their places to do the work. It clearly showed the miners, as well as the proprietors, that to have different sections was going to increase these stoppages. Now Mr. Mitchell wants to come in and
say to the miners and proprietors 'I am going to have a say as to what my union shall do with these collieries,' referring to some of the men working at the collieries who have joined his so-called union. This is the first time in the history of the coal trade that I have ever known when an attempt has been made by an outsider — altogether outside of the miners' union — to come and interfere with that industry, as Mr. Mitchell is attempting to do. I certainly say it is not in the interests of the coal trade and if such is to be tolerated, then all we have done by years of experience will vanish. We will have as many unions from all the different classes of men engaged, cut up into sections, so that nothing else but trouble will eventuate whereas if the present system is maintained, and those engaged at the collieries are paid according to the sliding scale, this is the only way it can be satisfactorily carried on. It is quite apparent that Mr. Mitchell is fixing himself upon the men, who do not want to have anything to do with him or his union. What the result will be, I fear, those who do not belong to Mr. Mitchell's union will refuse to work with the others. We then, as well as the miners will suffer. Whether the miners will stand Mr. Mitchell's interference is another aspect of the situation that has to be feared and the only conclusion I can come to, for the benefit of all concerned, is for the miners to tell those men who are not satisfied to belong to the miners' union, that they don't ask them to do so; but that if they belong to any other union, then they will not recognise them. This will settle not only Mr. Mitchell, but any other outside union that may attempt to destroy an industry that has been built up by years of experience. I have sat for years in conference with the representatives of the miners, and who will say the sliding scale has not been the best benefit to those engaged in the coal mining industry?\[51\]

The resistance of the proprietors to demands for wage increases and improved conditions continued both in the courts and in day to day relations with their employees. Then, in 1909 a general strike convulsed the industry and the community.

Strikes occurred at several mines during 1909: they were conducted, for the mine owners, by the Defence Association and two of them lasted for ten weeks.\[52\] The system of compensation for losses incurred through strikes was not conducive to a quick settlement as the conduct of the strike was usually carried on by a committee of the Defence Association and the desire of the proprietors to resume work was dulled by the receipt of compensation though a lengthy stoppage could damage a firm's trading connections.

In fact the simultaneous existence of a Vend, which penalized collieries which oversold, and a Defence Association, which compensated collieries whose strikes occurred made it possible for a skilful or lucky proprietor to fill his vend and have a strike in order to earn further profits while the mine would have been idle or less profitable owing to its having exceeded its vend.
As 1909 progressed the possibility of a peaceful solution to the disagreements between the miners and the proprietors receded. In February Peter Bowling announced that Court Arbitration was of no value to mine workers and suggested that even an impartial judge could not dispense justice in such a setting. 133

Early in July, 1909, Bowling made a statement exposing the existence of the Defence Association's Compensation Fund and he announced that the time had come for the Federation to take action if it was to survive: a special delegate board meeting was called to discuss the situation. 134

At a conference on July 17th the proprietors and the miners representatives agreed to establish a committee to frame regulations governing a conciliation court which they proposed to set up. 135 In August the Defence Association announced its opposition to conciliation. 136 The proprietors justified their change of opinion by reference to the length of the proceedings before the Conciliation Board hearing evidence regarding a dispute at Hebburn Colliery. 137 The acceptance of a conciliation procedure in this case may be attributed to the expressed concern of the management of the colliery at the damage to its trade resulting from the stoppage. 138

The miners suggested that the proprietors had initially accepted the proposal to establish a Court of Conciliation because they expected a strike of coal miners in Great Britain which would have created most favourable market conditions for N.S.W. coal: the strike over or averted, they claimed there was no longer any desire to conciliate. 139 In September the miners voted by district ballot to abolish the Special Mining Court in favour of a conciliation board and the proprietors reminded them of their determination not to proceed to establish such a board. 140

On 9th October the Colliery Employees Federation held an aggregate meeting in Newcastle. Those present resolved:

"That in view of the hostile attitude of the proprietors in refusing not only to remedy the many grievances in existence but in systematically encroaching on other privileges we hereby, in conjunction with the Southern and Western miners and the waterside works of Sydney and Newcastle, affirm the desirability of taking united action in defence of our rights and privileges." 141

The Federation demanded a conference with the proprietors to discuss their grievances: it was refused.

The strike which followed closed most of the Northern mines including Pelew Main and Mimi from November 8th, 1909, to March 14th, 1910. It was marked by significant new features. 142 The bitterness it aroused and its
length were common enough in the history of the Northern District but the proposal by the miners to operate two mines to finance the strike was novel and the participation of all three Districts, Northern, Western and Southern was an innovation made possible by the formation of the newly constituted Coal and Shale Employees' Federation. The actions of the New South Wales Government were flagrantly partisan and it played the vital role in defeating the union: however, in the aftermath of the strike it lost a general election.

Bowling was responsible for the proposal to work two mines to finance the strike in anticipation, if not knowledge, of its outbreak he had tried to persuade the Delegate Board of the Union to buy up, through agents, as much coal as could be obtained at grass. He argued that with scarcity prices prevailing it would be possible to have an income of several thousand pounds per week to assist the strikers. He was a socialist who was prepared to use the techniques of the capitalistic in the struggle against capitalism. The Delegate Board refused to back Bowling in his proposal but after the strike had started the Union made arrangements to work two collieries which were outside the association by paying the owners the regular 9s. Od. per ton and obtaining half or all of the residue when the coal was resold at strike prices.

This scheme was rendered ineffective by the action of the N.S.W. Railways Commissioner, T. Johnson, who at first refused to carry the coal from these mines and then agreed on condition that he obtain supplies for use by the railways at a price to be agreed upon: the price proved difficult to decide and, when it was eventually fixed at a little more than 7s. Od. per ton, the miners lost their expected income. It was revealed, after the 1910 election that the Railways Commissioners had paid scarcity prices for the coal of other proprietors during this strike.

After the Railways Commissioner refused to carry the coal from these mines it was rumoured that Livingstone Learmonth and John Brown had dined with the Commissioner in the week before the strike. Learmonth was interviewed by a reporter and confirmed the rumour. He added that Mr. Johnston was an old friend of his. Collusion between these three cannot be proven and it may not have occurred, but for the strikers there was more than coincidence involved in the timing of these events.

The timing of the strike was such as to cause the least possible harm to the proprietors for demand was at its smallest in this period. The impact of the strike on the community appears to have been very serious but it is difficult to assess on the basis of press reports. The reports of the brief strike of 1907, which lasted only two weeks and which occurred only in the Northern District, suggest that the business life of Australia was coming to a standstill; it is hard to accept that this was in fact the case.
and the likelihood was that the newspapers, and perhaps the consumers of coal, over-emphasized the precariousness of their position. Consumers who did not maintain a stockpile of coal in these years of tense industrial relations in the coal mining industry were lacking in foresight. Coal could be imported during long strikes but the delay was considerable and the coal would have been expensive in New South Wales in comparison with the local product: it may not have been so expensive in the other states.

The proprietors met the demands for a conference with refusal after refusal. The position was simple. The miners demanded improvements and the owners refused to concede any. The proprietors were reported, by one of their number to favour a fight to the finish, and some of them welcomed the prospect of a long struggle in order to renew the strength of the employers' combination which had shown signs of weakening.

Browns closed their mines, laid up their colliers and some of their tugs and in the meetings of the Defence Association John Brown was at one with those who conducted the strike on the "concede nothing" principle. The minutes of these meetings are unfortunately brief but they do reveal that John Brown was in disagreement with the moves made in February and March 1910 to settle the strike. The meeting which authorized its representatives to arrange a resumption also received the resignation of Browns from the Association. Browns withdrew their resignation at the meeting of 6th April 1910 without any explanation being recorded in the minutes.

The policy of the proprietors within the Defence Association does not appear to have differed in 1910 or afterwards from their pre-strike policy. John Brown was prominent in the conduct of the Association's business in 1910: he and four managers forming a committee to meet the representatives of the Federation to negotiate all minor wage claims.

The Defence Association carried on the court battle with the miners which had proceeded more or less continuously since the days of the State Arbitration Court hearings of 1903. John Brown revealed a certain skill in the conduct of such skirmishes but the costs of legal actions continued to annoy him. For a layman he was becoming very experienced in industrial law. At the July 1910 meeting he expressed his doubt as to whether the Industrial Disputes Act of 1908 was "strictly constitutional" and was appointed to a sub-committee to make further investigations.

The delaying tactics evolved before 1909 were continued when the Federation sought a conference to discuss their grievances in March, 1911, the proprietors decided that they could not meet the miners in conference or consider any district agreement with them.

"Owing to the proceedings now being instituted against the Coal Owners under the Australian Industries Preservation Act."

(See pages 249-250).
In February 1913 Brown was prominent in the conduct of a case before the Industrial Court involving a dispute between Burwood Coal Company and its wheelers and the Association decided to refuse to confer with the Federation until the decision of the court was known. At the next meeting of the Association the chairman, Livingstone Learmonth, resigned and John Brown was elected in his place.  

John continued to play a leading role in the affairs of the Defence Association in 1914 as its chairman. At the meetings of 14th January he reported that the Felaw Main miners were refusing to work the afternoon shift which had been abolished at some other Haltland field mines. He recommended that each individual concerned in these strikes should be prosecuted for damages and that the highest legal opinion should be obtained on the matter: he recommended two lawyers. The Association left it to the chairman to obtain any legal opinion he thought necessary.  

In April 1914, there were accusations, uttered outside the Association, that John Brown was "running it." He expressed his annoyance to the members and received an assurance of their confidence.

In June the Defence Association met Adrian Knox, K.C. to receive his advice on the prosecution of individual workmen for damages arising out of strikes and at the end of June, 675 summonses were issued against employees of Felaw Main, Hebbum and Standard Methyr: the miners were asked to show cause why they should not be ordered to pay penalties not exceeding £50 which could be imposed by the Court. They were fined £4 each: the fines to be collected from their future earnings.

John Brown's thirty years at the helm of J. & A. Brown had merely hardened the man who had revealed himself at the banquets of 1876 and 1879. (See p.291-93. He still yearned for a master-servant relationship founded on mutual loyalty and respect and he was still denying the right of the Miners' Federation to act on behalf of his employees. It had no place in his concept of a successful industrial relationship and as chairman of the Defence Association he resorted to harassing tactics and punitive expeditions to the courts. Felaw Main was closed for nine months in 1914 because the miners would not work the afternoon shift and Browns would not abolish it.

On the outbreak of war the Bishop of Newcastle, the Right Reverend J. F. Stretch appealed for a "truce of God" to bring the dispute to an end. John Brown's reaction to the continuing closure of his principal mine was to sue the Miners' Federation for £100,000 because of the loss of trade and the demurrage charges of ships he had chartered.

The Working of Felaw Main and Nimmie Collieries 1906-1914

Felaw Main and the Nimmie collieries continued to pose special mining and associated problems for Browns in the period 1906-1914. The successful conduct of their coal trade demanded both gas and steam producing coals.
Felaw Main, and Browns’ second Greta Seam colliery, Richmond Main, when it came into production in 1913, provided high quality gas coal and the Miimi mines continued to yield the steam coal which had been the foundation of the firm in the 19th century. Purchased in 1899, and lying in reserve in this period was the Stockrington Estate which was to replace Miimi as Browns’ Borehole colliery when the older property was exhausted.

The Miimi and Felaw Main collieries presented striking contrasts in this period. The two older collieries were beset by declining quality of coal, narrowing seam and, as time went on, increasing costs of production. The Felaw Main management had problems of a different nature, principally arising out of the employment of labour, but their coal had an excellent reputation and could be readily sold in Australia or abroad, it was free from the impurities bedevilling the Miimi managers and it lay in very thick seams.

### TABLE 59:
**SOME DAYS WORKED AND COST OF PRODUCTION STATISTICS FOR FELAW MAIN AND Miimi MINES 1903-1914**

<table>
<thead>
<tr>
<th></th>
<th>FELAW MAIN</th>
<th>Mimi</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Output '000 Tons</td>
<td>No. Employed</td>
</tr>
<tr>
<td>Round &amp; Small</td>
<td>Days Worked</td>
<td>Under Ground</td>
</tr>
<tr>
<td>1903</td>
<td>230</td>
<td>264</td>
</tr>
<tr>
<td>1904</td>
<td>357</td>
<td>246</td>
</tr>
<tr>
<td>1905</td>
<td>342</td>
<td>250</td>
</tr>
<tr>
<td>1906</td>
<td>328</td>
<td>246</td>
</tr>
<tr>
<td>1907</td>
<td>442</td>
<td>249</td>
</tr>
<tr>
<td>1908</td>
<td>551</td>
<td>244</td>
</tr>
<tr>
<td>1909</td>
<td>563</td>
<td>196</td>
</tr>
<tr>
<td>1910</td>
<td>610</td>
<td>205</td>
</tr>
<tr>
<td>1911</td>
<td>572</td>
<td>215</td>
</tr>
<tr>
<td>1912</td>
<td>640</td>
<td>249</td>
</tr>
<tr>
<td>1913</td>
<td>634</td>
<td>249</td>
</tr>
<tr>
<td>1914</td>
<td>260</td>
<td>93</td>
</tr>
</tbody>
</table>

**Source:** N.S.W. Department of Mines Annual Report 1914 and J. & A. Browns’ Wages Books.
Palaw Main miners were far more strike-prone than their fellows at Mimmi.

Some assistance in coming to an understanding of the outlook of the miners of the Borehole collieries in this period is afforded by the survival of two letter books containing copies of correspondence from the Mimmi Colliery manager, G. Durie, to J. & A. Brown in 1906 and 1907. 165 In these years, Mimmi was in full production; the two mines were in operation for 250 days (maximum about 275) in 1906 and produced 372,851 tons of coal. Their miners were earning relatively high incomes, labour was in short supply and there was a tendency towards high absenteeism. In the week ending 20th May 1907, which began with a public holiday, the manager reported that many men did not turn out for work and 95 were absent on the Thursday. 166

Even while their earnings at Mimmi were high with full employment and the introduction of pillar working which was new to these mines and which permitted the miners to increase their production by up to two tons per man per day, the South Maitland Collieries were exerting a strong attraction on the workers of Back Creek and Duckenfield. In 1906 and 1907 the Manager was continually referring to the difficulty of keeping his miners and wheelers. The easier conditions of work and the generally higher incomes there strongly attracted the Mimmi men. 167

On the new field the high productivity of the miners, their militancy and the awards which established working conditions and wages in the new, well ventilated mines, created something of a working paradise for miners used to cramped, less fruitful labour in the old mines of the Borehole seam. In February, 1907, the Mimmi manager compared the lot of his wheelers with that of their South Maitland counterparts. His wheelers spent ten hours a day in the mine and earned 5s. Od. or 6s. Od. per day; in the South Maitland mines the hours spent in the pit did not exceed eight, for eight hours bank to bank had been introduced there, and wheelers earned 9s. Od. or 10s. Od. per day. 168

The wheeler, a key figure in mining stoppages in the first decade of the 20th century in both the South Maitland and Newcastle fields, could supplement his earnings by arranging to supply "greedy" miners with more than their share of skips in return for a share of their extra earnings and this practice would be more likely to yield more to South Maitland wheelers where coal was easier to get. It would appear, too, that the existence of two types of payment for wheeling contributed to the dissatisfaction of some of those who were paid a daily wage instead of a tonnage rate.

In general the opening of the South Maitland mines provided a working life for mine workers which offered a considerable improvement on that to which they were accustomed but not all the miners of the North were free
to accept positions there, nor could they all be employed there.

After the good years of 1906, 1907 and 1908, the year 1909 brought a
degree of underemployment to Kimi before the five months general strike
which began in November and which was followed by six months of intermittency
of employment. In October 1910, the Kimi Lodge asked the District Union
for £300 to relieve distress. 169

When John Brown was asked by the Kimi miners for a share of the trade
of Felsow Main they were told that their mines could not supply the gas coal
in demand from Felsow Main. He suggested that if they desired a revival of
the overseas trade they would have to give a guarantee of five years of
industrial peace. John attributed the poor trade of 1910 to the strike
which he claimed had prevented the New South Wales proprietors tendering
for contracts for 1910 and announced that trade would be slack for the rest
of the year. 170 In fact, in the second half of 1910 the firm completely
abandoned its shipment of coal to South America and discontinued its "sundry
ventures" to other markets, persevering only with its shipment to San Francisco.
Sundry and Valparaiso ventures had absorbed more than 145,000 tons in the six
months ended December 1910 and 139,000 tons in the same period of 1906. (See
p. 245).

John Brown continued to suggest that his miners make an arrangement with
J. & A. Brown by which he promised a high level of employment in return for
an assurance of continuity. Opposition to the proposal came from the Miners' Federation which was probably responsible for the delay in its implementation as it appeared to have been favourably received at Kimi in 1910. 171
Production of the Kimi mines did not return the pre-strike level (see Table 60) and early in 1913 the agreement was again under consideration: in February the Defence Association approved of the scheme and authorised its execution but the Federation expelled the Kimi Lodge when the agreement was signed in March.

John Brown sought advice on the legality of this expulsion and discussed
the matter in the Defence Association. It was decided to take legal action
against the Federation if the advice was favourable. 172 Nothing appears to
have come of the proposal but other proprietors began to seek similar
agreements with their miners. 173

This agreement was the fulfilment of John Brown's concept of an ideal
industrial relationship. The employees put their trust in their employer
who did his best for them as long as they worked with him and together they
would overcome all obstacles. At Kimi the agreement appears to have worked
well and on the first anniversary of its establishment, at a celebratory
picnic arranged by J. & A. Brown, the lodge officials spoke of a prosperous,
strike-free year in which the miners had averaged 15s. 1ld. per day in
Back Creek and 1$\frac{1}{2}$s. Od. per day in Duckenfield. W. Burke, chairman of the lodge described the past year as unprecedented and said that the town had never known such "peace and contentment." 174

John Brown's long address revealed the vast gulf which separated him from his miners in outlook and which reveals him at the age of 62, controller and part owner of an industrial empire and Chairman of the Hunter River District Colliery Proprietors' Defence Association.

He began by referring to the peace and happiness which had existed at the Mimmi collieries under the agreement which he believed should be introduced to all the mines. There had been no strikes at Mimmi while there had been at least thirteen stoppages at Pelaw Main in the previous three months. He said the miners could trust him. "He would not go back on his word for the best man living and he challenged any man to say that he had ever done so." 175

Continuing, he made the claim that he had assisted in persuading G. M. Delprat the General Manager of the Broken Hill Proprietary Company to situate the steelworks at Newcastle rather than at Port Pirie and forecast the great demand for coal which steel production would generate in the future. He concluded with this statement:

"There was no happier man than the man who worked every day. He himself worked from 5.00 a.m. to 11.00 p.m., not for himself but to do his duty as a citizen. What good was money to him? He had three meals a day and a bed. He was a fool to have worked so hard as he had done and if he had his time over again he would not do it because there was no peace, contentment or happiness. The only word to describe the position of a colliery owner was "hell"." 176

The inconsistency in these remarks is probably not due to the quality of the reporting: illogicality was characteristic of the man.

The Mimmi miners were conforming to John Brown's conception of ideal employees: the Pelaw Main miners were a continual disappointment to him. Working days lost between the end of the 1909-10 strike and December 1914 at this colliery were almost all the result of industrial disputes. (See Table 60).

The continuing use of machine cutters at Pelaw Main may well have been responsible for some of the unrest evident in the period 1909-14. Machines were producing slightly less coal each year in 1912, 1913 and 1914 and they continued to decline in proportion of total coal cut until 1924 when only 19.8% of all coal cut in N.S.W. was cut by machine. In 1913 it had been 27.2%. It is not clear whether this trend was the result of the miners'
opposition or increasing production from mines which were unsuited to the machines.

<table>
<thead>
<tr>
<th>TABLE 60: COAL CUT BY MACHINERY 1912, 1913 and 1914</th>
<th>1912</th>
<th>1913</th>
<th>1914</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,897</td>
<td>2,837</td>
<td>2,776</td>
</tr>
<tr>
<td>By Electricity</td>
<td>2,190</td>
<td>2,203</td>
<td>2,264</td>
</tr>
<tr>
<td>By Compressed Air</td>
<td>707</td>
<td>633</td>
<td>512</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Reports for 1913 and 1914.

The machines in use in Pelaw Main and in Browns' Richmond Main mine were driven by compressed air. This was a more expensive and less convenient form of power than electricity but it was a safer power supply owing to the smaller likelihood of its producing a spark which could ignite gas or coal dust. Repeatedly the New South Wales Department of Mines urged owners to install compressed air driven machines but as its 1914 report suggested, "there is a great tendency to use the more economical power (electricity) in preference to the safer one (compressed air)." 178

Browns' perseverance with compressed air in the face of a trend away from it was praiseworthy in the sense that it produced a safer mine thus protecting both the mine itself and the miners who laboured there. It is consistent with their attitude towards their capital equipment: it is not possible to say whether it is consistent with their attitude towards safety. 179

Also Pelaw Main presented a different type of problem: a safety problem arising from the nature of the seam. Before proceeding to a discussion of the accidents which prompted a Royal Commission into the working of the thick seam mines in 1911 it will be necessary to generally refer again to accidents. (Previous reference Page 132 f.f.)

In the period 1894-1913 inclusive, there were 313 fatal accidents in New South Wales mines and as a result 444 men and boys died. Of this total, 119 died as a result of four explosions which took a heavy toll. Of the other 325 deaths, 165 occurred through falls of the roof or sides of mine workings and this type of fatal accident was the most common single cause of death. 180
### Table 62: Accidental Deaths in N.S.W. Mines 1894-1913

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons of Mineral raised per life lost</th>
<th>Number of Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>1894</td>
<td>527,606</td>
<td>7</td>
</tr>
<tr>
<td>1895</td>
<td>379,801</td>
<td>10</td>
</tr>
<tr>
<td>1896</td>
<td>164,223</td>
<td>24</td>
</tr>
<tr>
<td>1897</td>
<td>276,105</td>
<td>16</td>
</tr>
<tr>
<td>1898</td>
<td>189,438</td>
<td>25</td>
</tr>
<tr>
<td>1899</td>
<td>465,374</td>
<td>10</td>
</tr>
<tr>
<td>1900</td>
<td>230,431</td>
<td>24</td>
</tr>
<tr>
<td>1901</td>
<td>254,306</td>
<td>17</td>
</tr>
<tr>
<td>1902</td>
<td>574,819</td>
<td>105</td>
</tr>
<tr>
<td>1903</td>
<td>492,509</td>
<td>13</td>
</tr>
<tr>
<td>1904</td>
<td>804,807</td>
<td>12</td>
</tr>
<tr>
<td>1905</td>
<td>277,932</td>
<td>24</td>
</tr>
<tr>
<td>1906</td>
<td>364,705</td>
<td>21</td>
</tr>
<tr>
<td>1907</td>
<td>512,074</td>
<td>17</td>
</tr>
<tr>
<td>1908</td>
<td>439,573</td>
<td>21</td>
</tr>
<tr>
<td>1909</td>
<td>504,900</td>
<td>14</td>
</tr>
<tr>
<td>1910</td>
<td>392,467</td>
<td>21</td>
</tr>
<tr>
<td>1911</td>
<td>534,447</td>
<td>15</td>
</tr>
<tr>
<td>1912</td>
<td>322,394</td>
<td>30</td>
</tr>
<tr>
<td>1913</td>
<td>579,508</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: N.S.W. Department of Mines Annual Report 1914.

The transportation systems of mines were responsible for a great many fatalities and serious injuries to mine workers: in the 20 years from 1894 to 1913, 79 men and boys died as a result of accidents involving skips, waggons, trains and trains, and inclines and engine planes. 161

Table 62 shows that in the period 1894 to 1913 New South Wales produced an average of 296,881 tons of coal for every life lost in coal mining accidents. Figures for individual years vary from 384,447 tons per life lost to 574,819 tons in 1902. 182 Using the same concept, tons raised per life lost, it is possible to compare the accident rate in Brown's mines with the N.S.W. record. In the years 1878 to 1914, these mines yielded approximately 14,089,000 tons of coal and accidents claimed the lives of 90 miners. Brown's then, raised 282,760 tons of coal for each life lost. Applying the same procedure to the non-fatal, but serious, injury tables yields a figure of 56,352 tons per serious injury. 183

If the process is repeated for the shorter period 1894 to 1913, the result is: 194,428 tons raised per fatal injury and 64,809 tons per non-fatal injury. 184 As the yearly figures for the Northern District range from 26,846 tons in 1899 to 124,103 tons per non-fatal injury in 1878, with most annual averages falling in the range between 40,000 and 80,000 tons, Brown's accident rate was probably higher than that of most of the Northern Collieries.
In March 1911 the New South Wales Department of Mines announced that an inquiry would be held into the mining of the top section of the seam at Pelaw Main following the death of a miner there on 7th February. The inquiry was held and an amended system of working the top section of the seam was devised. On 2nd March, 1911, another miner was killed working "tops" in Pelaw Main and following requests from the Miners' Federation that other mines should be investigated too, a Royal Commission of Inquiry was set up to determine the best method of working the thick seams of coal in the Maitland Cessnock district in order to protect the lives of the workmen and to extract as much of the State's coal as possible; these mines being leaseholds from the Crown.

**TABLE 62: COLLIERY FATALITIES AT PELAW MAIN AND OTHER MINES 1901 - 1911**

<table>
<thead>
<tr>
<th></th>
<th>Deaths</th>
<th>Death Rate per 100 Employed</th>
<th>Death Rate per 100 Underground</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdare</td>
<td>3</td>
<td>.095</td>
<td>.124</td>
</tr>
<tr>
<td>Hebburn</td>
<td>7</td>
<td>.160</td>
<td>.210</td>
</tr>
<tr>
<td>Pelaw-Main</td>
<td>11</td>
<td>.192</td>
<td>.243</td>
</tr>
<tr>
<td>Wallsend</td>
<td>11</td>
<td>.135</td>
<td>.167</td>
</tr>
<tr>
<td>S. Bulli</td>
<td>5</td>
<td>.087</td>
<td>.108</td>
</tr>
</tbody>
</table>


When the Pelaw Main inquiry was announced John Brown made a statement to the press. He argued that thick seams were mined elsewhere and that there was no more risks in such mining than in working in other mines. There had been accidents "but when I say that only five fatal accidents have occurred in a period of ten years, it will be seen that the percentage is indeed a very small one." He proceeded to claim that the cavilling system was responsible for some accidents. The miners insisted on cavilling for the opportunity to work in the "tops" as it was more lucrative and this denied the management the right to select the miners best fitted for any particular phase of the mining operation.

When the Royal Commission investigated methods in use at Pelaw Main it found that the seam varied between 14 and 20 feet in thickness and that it was removed in two layers. In the first operation the bottom section of the seam, about 8 or 9 feet was removed; subsequently another section, of
from 5 to 9 feet, was "dropped" from the ceiling to the floor of the mine. This dropping operation was accepted as a dangerous phase of working as the roof of the mine was usually about 18 feet above the floor, was difficult to see and from it, at any time, in some sections, pieces of sandstone and mudstone and sometimes conical shaped stones ("pot bottoms") could fall with little or no warning. 189

In these conditions Browns had pursued a policy of supporting the roof with timber when it was judged to be necessary. The timber "props," about 18 feet long and sometimes requiring four or six men to erect, were kept on hand and the miners or the officials of the mine could utilize them at their discretion. Because of the time taken to erect them, miners tried to do without them. 190

The manager, Robert Scott, preferred this system to "systematic timbering" which was in use in the East Greta mine and had at one time been in use at Pelaw Main but was not in use at most of the South Maitland mines. He asserted that the management of Pelaw Main "exercised all possible vigilance" in the setting of necessary timber props. 191

The Chief Inspector of Coal Mines stated "that the system of timbering was not particularly well attended to, and it appeared that this was to some extent due to the refusal of the miners to set the long timber without some additional remuneration. He had noticed an improvement by the time the Commission sat in August, 1911, but he was of the opinion that "systematic timbering" would have minimized the dangers of working the upper sections of these thick seams." 192

The miners who gave evidence strongly favoured systematic timbering, however, it would have been done at the expense of the management and not in their time as the existing system demanded. One Pelaw Main miner testified that he had not seen any props set since March, 1910, when the miners resumed after the strike because the mine manager would not concede additional remuneration for the work. 193

The Royal Commissioners strongly recommended the introduction of systematic timbering. They reported that in "the case of one mine, the evidence disclosed that for twelve months a most inexcusable disregard was paid to securing the roof where "tops" were being removed, for which the workmen and officials of the mine were equally responsible. 194
William and John Contend the Control of J. & A. Brown

Disputes between various members of the family had imperilled the firm in the 1880's (see pages 115-116) but these had not been so prolonged as the struggle between John and William, which began in 1905, over William's claim to share in the control of the firm. 195

In the Supreme Court of New South Wales in Equity in February, 1907, William claimed that he was entitled to an equal share in the management of J. & A. Brown and asked that John be restrained from excluding him. 196 John submitted a counter-claim that he should have the sole management and control of the firm on behalf of himself and his brothers, William and Stephen. He alleged that since June 1905, William had interfered with the management of the business, countermanded John's orders, appointed employees in opposition to John's wishes and insisted on retaining the manager of Brown's Melbourne office for some years against his wishes. He asserted that control of the firm was his perogative and sought a Supreme Court order restraining William Brown from taking such actions without John's consent. 197

On 24th June, 1907 Mr. Justice Simpson decided in favour of William Brown by declaring that he was a trustee of the property left by his uncle and father and that he was entitled to share in the management of J. & A. Brown. John Brown obtained permission to appeal to the Privy Council against this decision and in December 1908 it upheld the appeal, declaring that William was only a partner and not a trustee of the firm; as a partner he had a financial interest in J. & A. Brown but he did not have the wide powers of a trustee in managing the business on behalf of those interested in it, principally, John, William and Stephen Brown. 198

John Brown wrote to his brother to inform him of the result of the appeal. The formality of the letter indicates their strained relationship.

"Dear Sir,

I beg to inform you that I received a cable this morning informing me that my appeal has been upheld with costs and that I was declared sole surviving trustee." 199

William's reply has not survived but John wrote again three days later:

"Dear Sir,

I am very pleased to receive your courteous letter of 17th instant. I sincerely trust for the future that our business arrangements will be harmoniously carried out for the benefit and to the satisfaction of all concerned." 200
When William Brown received a copy of the judgement of the Privy Council and perceived that he had been designated a "partner" in the firm he refused to accept John's claim to sole control and obtained a Supreme Court order winding up J. & A. Brown and appointing a receiver, thus necessitating a further appeal to the Privy Council by John. It was also successful.

This struggle continued until 1911 when William finally relinquished his claim and John Brown retained his sole control until his death in 1930.

This dispute between the brothers was carried on with great bitterness. They disagreed on appointments to important posts and John Brown refused to "recognise" one manager of Pfall Main because William had appointed him.

John wrote to his brother:

"If you consider it proper to permit a Manager or any employee to do what they think fit, that is not my method of conducting business, and I shall always raise complaints if necessary and endeavour to gain the fullest information I can as to how our business is carried on. The Manager of the mine has serious responsibility cast upon him, and we are liable if any accident occurs in the mine under his control, and it is out bounden duty as far as possible to see that his duties are carried out in the best possible manner."

One of the first victims of John's initial legal success was R. E. Hogue (see pages 172 f.f.). He had gravitated into William's camp and had been deprived of his duties while retaining office, before the Privy Council's decision reached Newcastle on 16th December, 1906; he had been travelling to Browns' office and spending his days learning French to occupy his "working" hours. In 1907 John had informed William:

"Mr. Hogue is under the same condition as all office employees here who I have always engaged and dismissed as I thought proper, subject to a month's notice when I think it necessary to give same."

John wanted to dismiss Hogue then but William resisted and John's legal advice was to avoid any further quarrel between the brothers pending his appeal. One week after receiving the decision of the court, John wrote this letter to Hogue:

"Sir,

As we are desirous of dispensing with your services we now give you one month's notice from 1st January, 1908, to quit our service,

Yours, etc."
Hogue had considered himself a devoted and efficient employee: and his dismissal in this manner reveals John Brown as an employer and as the industrialist who, by inheritance and training, came to have sole control over an empire of mines, railways, ships and offices, for almost half a century. Though the evidence is rather fragmentary there is sufficient to permit a character sketch.

Central to his whole personality was his pride in the industrial achievements of his father and uncle and the preservation and aggrandizement of J. & A. Brown became his life's mission. Bound up with this objective was his belief in his powers as an industrialist and this raises two significant questions. Was he well fitted to direct J. & A. Brown and what were the results of his term as manager?

John Brown's letters and his reactions to his brothers' challenges to his assumption of sole power and the evidence of the Hogue correspondence, suggest that his was a limited intelligence. He certainly found it difficult to express himself clearly but that was probably a reflection of his inability to approach his problems logically.

Faced by a challenge, either personal or industrial, John tended to react emotionally and without regard for the consequences. His pugnacity led him to advocate courses of action which were prejudicial to his own interests, as, for example, in the case of the decision not to co-operate with the Shipping Ring in 1903 and there was his refusal to sink his differences with rival tug-boat operators in order to make his boats pay.

The commencement of the struggle with the Ring also demonstrates his failure to calculate the consequences of his decisions and his tendency to blame others for his own mistakes. For reason John substituted experience and he also stored the resentments of the years as a guide to his policy-making.

His handling of his staff demonstrates his limited abilities as a manager. He demanded the maximum from his employees, probably because he was prepared to give as much himself. His clerks and managers, engineers and sailors were expected to be continuously available and he expected them to regard monetary rewards, leisure and holidays with a lack of interest similar to his own. His statements to the Minmi miners at Paterson in 1914 suggest that he thought they too, should share his views of the importance of work in a man's life.

In return for these services John paid salaries which are reported to have been rather less than those paid by other proprietors and the Hogue correspondence contains several instances which indicate his refusal to raise wages, regardless of the circumstances. In one case, Brown's tug
manager in Newcastle applied to Hogue for an increase from £3. 10. 0. to £4. 0. 0. per week, time and time again, over a period of twelve months but when the requests were passed on to John Brown they were ignored. Eventually this man gave notice of resignation and Hogue wrote to London, "I am afraid you will see a considerable difference in the management of the tug department. There will have to be a man to keep the books and I don't think you will get one to be around looking after the tugs from daylight every day until late at night, Sundays included." 208

When Hogue himself asked for his salary to be raised to £1,000 per annum in 1900, after eleven years without an increase, John Brown displayed another of his characteristics as an employer. He wrote disparagingly of Hogue's work and argued that he did not deserve an increase. The latter's reply suggests what is confirmed by other evidence, that John could not always distinguish efficiency from the appearance of it. "I am no clerk, I know exactly what I can do. -- There was a time when you could pay men who were incompetent, and worse than that, £1,000 and £2,000 a year, and they could do nothing for you but run the firm into debt." 209

John Brown was ever ready to criticise, quick to rebuke and even to abuse those who did not appear to be giving him satisfaction. This habit alienated able employees who were already giving their best in the service of the firm.

Hogue confided to William Brown in 1904, "I am very sorry to note that there is a growing tendency on the part of Mr. John Brown to find fault with everything and everybody." 210

John's criticisms were particularly difficult to bear when they arose from his own errors. Once he omitted to advise his Newcastle manager of the arrival of a ship and then railed at him because it was not loaded on time. On another occasion he complained because the Newcastle and Sydney managers were drawing too heavily on his London funds and demanded to know where the proceeds of the Gas Company's purchases were going. The money was going, at his instruction, into the separate account which he shared with his brother, William. 211

In the make-up of John Brown there was also a churlishness, a vindictiveness and a pettiness which led him to visit the sins of the fathers on the next generation as in the case of the leaders of the 1895 strike at Mimi. He took pleasure in the defects of others and was prepared to forgo his own and his brothers' return on their capital in order to embarrass his rivals. But this is to dwell on his faults.
J. & A. Brown not only survived under his control but became the principal producer in the state in 1892 and again in the early 20th century: valuable coal properties were acquired and correct decisions were made as to the equipping of the mines, the building of railways and the purchase of ships.

John trusted his technical advisers and though he harrassed them in the performance of their duties, he was usually prepared to accept their judgements and to delegate authority to them. "I, however, think he (Solomon Brown) is worthy of our fullest confidence and I do not see that any question of deputing trust arises in appointing a competent person in our employ to look after our interests in a matter on which he is acquainted with all details and on which he has more knowledge than we have, and which must be carried or outside Australia."212

Though he reacted violently to errors of judgement on the part of his employees, he was basically cautious in his decision making, as in the case of the Richmond Vale Railway, and sometimes even timid after he had made a mistake, as he did in 1899 over the Pacific Mail Company's contract. The fact that he tolerated Hogue for years despite his scathing criticisms of John's opinions suggests that he knew his worth and refused to give way to the resentment which this man inspired and which was to a considerable extent due to his superior ability.

Then too, John Brown, despite his weaknesses, generally commanded the respect of the miners, their leaders and the community. This respect was partly the result of his wealth and power but there was more to it. He was respected because he was a man of his word: he could be ruthless, he was always determined and egotistical but he prided himself on his record as an honest man. His policy in dealing with people was best expressed in 1905 when he told the Back Creek miners "while they were straight with him he would see that they would lose nothing by it."213

It was difficult to meet his requirements but when the Minmi miners gave him continuity in 1914 he kept his promise and found them work.

By accepting some expert advice, by retaining the support of at least some of his staff, by ploughing back a high proportion of what profits he did make and by a whole-hearted personal pursuit of the interests of J. & A. Brown, John Brown managed to build the valuable assets which he had inherited into a far bigger industrial concern.

It is difficult to assess John Brown's monetary achievements, especially in 1914, but it is possible to indicate the size of his fortune at the time of his death in 1930.
When William Brown died in 1927, the net probate value of his estate was £711,624. Three years later, John Brown's will disclosed that his assets were valued at £728,366. The greater part of this sum consisted of his one third share of the firm which was valued at £2,198,687 at that time. Nothing is definitely known of the profits made by Browns after 1914 but the greatly increased price of coal and their sustained high output, as well as their continuing heavy expenditures on capital equipment, suggest that their earnings may have been higher than they had been in the period from 1905 to 1914. However, the financial successes of J. & A. Brown would not have been given first priority in an assessment of its achievements by John Brown. For him the growth of the firm and the enhancement of its prestige were more important.

The firm had played an outstanding role in the development of the foreign trade in New South Wales coal. No other producer had so consistently shipped such large quantities abroad and credit should be accorded Browns for the vigour of their marketing in North and South America in particular. This sector of the trade was not always profitable but men had been kept at work, both in mining and its ancillary industries, large sums of foreign exchange had been earned and though the loss of the coal should be offset against this, it should always be borne in mind that what is now a valuable asset may soon be rendered worthless by changing technology.

In industrial relations the firm had an unfortunate record but the legends, which abound in the Newcastle district today, suggest that the sufferings caused by reductions of wages and lengthy strikes and by threats of eviction were soon forgotten, or even forgiven, and the name of John Brown is remembered with a blend of admiration and respect.
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**BIBLIOGRAPHY**

|           | P.84 |
1. See page 2 - 3 and footnote 6.

2. Sir George Murray, Secretary of State for War and Colonies to the Australian Agricultural Company, 31/7/1826 and reprinted in the 1847 Report of the N.S.W. Legislative Council's Select Committee on the Coal Inquiry (hereafter referred to as "1847 Coal Inquiry") pages 33-34. N.S.W. V & P (L.C.), 1847, 11. See pages 10-11 for the events leading to the setting up of this Committee.

3. Evidence of Captain P. King, Commissioner of the A. A. Company to the 1847 Coal Inquiry, p. 30.


5. Sir George Murray to the A. A. Company 31/7/1828 op. cit.

6. Evidence of Rev. L. E. Threlkeld (1788-1859) missionary to the aborigines of Lake Macquarie and pioneering student of aboriginal languages, to the 1847 Coal Inquiry, p. 14. Threlkeld's mine passed out of his hands in 1844 when it was sold because of his financial difficulties.

7. Evidence of Captain King to 1847 Coal Inquiry p. 31.


9. Also aboard the "Margaret" were James' mother (died 1853), his brother William (1820-59), and his three sisters, who were house servants. The parents were not assisted immigrants and if Alexander, the son, who was to be a partner in J. & A. Brown, accompanied the family, it was also in this capacity. It is possible that he travelled separately with a married sister and her husband: he is not mentioned in surviving records before 1850. See N.S.W. Archives Authority (location 4/4667) for the Bounty Entitlement Certificates: the family tomb at East Maitland: the legal papers drawn up when the ownership of the firm was disputed in 1892: "The Cessnock Eagle" 1/11/1940: an undated cutting from "The Maitland Mercury" of 1894 (Newcastle Public Library): "The Newcastle Morning Herald" (hereafter N.H.H.) 28/9/1894 and "The Bulletin" 14/3/1916.


12. The price of the coal produced by the Colonial Government in the 1820's had usually been 10s. 6d. per ton at the wharf but before handing over the coal industry to the A. A. Company the price was reduced to 8s. Od. per ton and this became the Company's price p. 24 1847 Coal Inquiry. By 1843 the price had risen, with government acquiescence, to 15s. Od. per ton and the Hunter River Steam Navigation Company (hereafter referred to as H.R.S.N. Co.) was lightering its coal to Morpeth at a cost later estimated to be 5s. Od. per ton. See p. 219 "Australian Men of Mark".
13. Evidence of the manager of the H.R.S.N. Co. to the 1847 Coal Inquiry p. 34.

14. 1843 Blue Book.

15. 1847 Blue Book.


17. Ibid pages 57-58.

18. J. Rae "Thirty Five Years on the N.S.W. Railways" Rae was the Commissioner for Railways in 1898 and the quotes from the 1861 journal of the officer who experimented with coal on this line and then ordered the conversion of all the locomotives.


20. Ibid, and the series of articles on the San Francisco Coal Market which began to appear in the N.M.H. 5/1/1893 and which were based on records of the Port of San Francisco.

21. Annual Report of N.S.W. Department of Mines (hereafter Department of Mines A. R.) for 1914, p. 36.

22. Ibid.

23. Evidence of Captain King to 1847 Coal Inquiry p. 31.

24. The Court of Directors of the A. A. Company (hereafter Court) to P. King, the Company's Commissioner in N.S.W., Despatch No. 80, 19/9/1845. (1/19).

25. Report of the 1847 Coal Inquiry, p. 34.


29. Robert Lowe, later Viscount Sherbrooke, 1811-1892, called to the bar in January 1842 in London, came to N.S.W. and began to practice in November 1843. Elected to L.C. N.S.W., April 1845. R. Windeyer 1836-1847, admitted to the English bar in 1834 and elected to the N.S.W. Legislative Council in 1843. Lowe and Windeyer used the case to try to embarrass Governor Gipps who, during "the years which followed the proclamation of the Act of 1842 -- was engaged in a continuous struggle with the Legislative Council" (A.C.V. Melbourne "Early Constitutional Development in Australia" 1953, p. 286.

30. Legge op. cit. p. 316.

32. Court to King 3/4/1846 (1/19).

33. Ibid.


35. Evidence of L. E. Threlkeld to 1847 Coal Inquiry p. 23.


38. Court to King No. 80 19/9/1845 (1/19).


40. Evidence of James Brown to 1847 Coal Inquiry p. 43.

41. S.H.H., 31/5/1847.

42. Ibid.

43. S.H.H., 31/5/1847. The member for Northumberland was Henry Danzar 1798-1861, M.L.C. 1843-1851.

44. Ibid.

45. Ibid.

46. Ibid.

47. Court to King No. 90, 19/2/1847 (1/19).


50. The 1852 Blue Book was the first to attribute a Darwood mine to Browns. For evidence of Alexander Brown Senior's role see advertisement in "The Hartland Mercury" of 14/9/1850. Dr. James Mitchell (1792-1869) land owner, company promoter, M.L.C., 1855, father of David Scott Mitchell.

51. Evidence of James Brown to 1847 Coal Inquiry p. 41.
52. Prospectus and Deed of the Newcastle Coal and Copper Company, November 1855, now held in the Mitchell Library.

53. M. Brownrigg, Commissioner of the A. A. Company to Court No. 11, 17/8/1854. (1/6)

54. Newcastle Branch of the Bank of Australasia, (hereafter Australasia) to its head office, London (hereafter London) 27/10/1854. The Newcastle Branch of the Bank of Australasia was opened on 17/10/1854 and the records of its correspondence with its London Head Office form a valuable source of information about Newcastle during the 1850's.


56. Brownrigg to Court No. 9 15/5/1855, No. 21, 13/9/1855, No. 34, 6/11/1855 and No. 43, 14.12.1855 (1/7).

57. See "The Northern Times and Newcastle Telegraph" (hereafter N.T. & N.T.) of 14/10/1857 and 20/11/1858, 15/1/1859 and Australasia to London, 13/11/1855, and 6/5/1856. There were, of course, also periods of strong demand for coal in this period.

58. Annual Report to Shareholders of the A. A. Company for 1853 (bound with the reports for 1850-52 and 1854-1858, Mitchell Library) and Australasian to London 13/11/1855.


60. Australasia to London 7/5/1855.

61. Annual Reports to Shareholders of the A. A. Company, 1854 and 1855 (Mitchell Library).


64. Report of R. Whytte on the A. A. Company's Newcastle Colliery 1856, 4/12/1856. (1/61)


67. Brownrigg to Court No. 21, 13/9/1855 and No. 34 6/11/1855. (1/6).

68. Prospectus and deed of settlement of the Newcastle Coal and Copper Company, November 1855 now held in the Mitchell Library. These mines on the Burwood Estate should not be confused with the Burwood Coal Mining Company which began operations in the Newcastle District in 1885.

70. See Map, Appendix I.


75. "Australian Men of Mark" p. 221.


77. H.T. & N.T. 5/2/1859 and 16/2/1859.


79. Evidence of J. Brown to the 1847 Coal Inquiry p. 40.

80. ibid p. 42.

81. ibid p. 40.

82. ibid.

83. There were also 66 free men working in the mine in 1846. Annual Report of the A. A. Company for 1846 and Evidence of Captain King to the 1847 Coal Inquiry p. 27.

84. Evidence of J. Brown to 1847 Coal Inquiry p. 40.


86. Evidence of Captain King to 1847 Coal Inquiry p. 25.

87. Court to King No. 39 16/12/1846. The recurrent nature of the problems of the industry and the inability of the proprietors to cope with their fractious employees are revealed by a similar comment of an official of the A. A. Company on hearing of the sentencing of the union officers to long gaol terms as a result of the 1909 General Strike: "I only trust that the effect of dealing with the instigators of the strike in this severe manner will be a lesson to the men in the future." W. Butterfield to L. Learmonth 26/1/1910. (1/48).

88. Evidence of Captain King to 1847 Coal Inquiry p. 33. The Company still found it difficult to retain the services of its convicts after the expiry of their terms.
89. Annual Report of the A. A. Company for 1844 on microfilm at A.N.U. Archives and Brownrigg to Court No. 9 15/5/1855. (1/ )

90. The evidence of two ex A. A. Company miners to the 1908 Royal Commission on Subsidence: the evidence of two miners was printed in N.S.W. 13/2/1908 and 21/2/1908. The 7' seam was mined by the Burwood miners: the A. A. Company seam was not as thick. (The 1908 Royal Commission on Earth Subsidence at Newcastle).


92. R. Whytte to the A. A. Company 4/12/1856 (1/61).

93. Ibid .

94. Evidence of A. Brown in the report of The N.S.W. Legislative Council's Select Committee on the Coal Fields Regulation Bill, 1862. P. 17.

95. Ibid p. 21.

96. Ibid p. 22.


98. Pages 28-89 R. A. Gollan "The Coal Miners of New South Wales", (hereafter "Coalminers").

99. This scale was introduced as an incentive to the miners to produce more: as a miner's output increased his rate of pay for all his coal advanced. Brownrigg to Court No. 9 15/5/1855, 1/7 and the Annual Report of the Company for 1854. (Mitchell Library).


104. H.T. & N.T. 26/5/1858. The 1854 Act "for the Registration and Inspection of Coal Mines in the Colony of New South Wales", No. 32 of 18 Vic, was the first of a series of acts by which the N.S.W. Legislature regulated the coal mining industry. It merely provided for: the appointment of an Examiner, the registration of mines and the keeping of plans of collieries. See "The Public Statutes of N.S.W. 1852-62".
105. Evidence of Alexander Brown to the 1862 Select Committee. (See page 48 below for the details of the setting up of this committee and the Act which followed it. See fn. 99 Ch. 2 for a clarification of the legal status of the miners in 1862.)

106. Ibid p. 22.

107. The A. A. Company brought its locomotives into operation in August, ("The Northern Times" 25/8/1857) and the Coal and Copper Company in December, 1857 (N.T. & N.T.16/12/1857): the Harbour improvements were described in Australasia to London, 13/11/1857: the lighthouse was under construction in July, 1857. ("The Northern Times", 15/7/1857).

108. Tenders for the construction of a lifeboat were called in "The Northern Times" 12/9/1857: the total number of wrecks was calculated by Newcastle researcher Mr. T. Callen: the arrival of the first tug was recorded in N.T. & N.T. 16/2/1859.

109. The dredge was welcomed in N.T. & N.T. 16/2/1859 and 12/3/1859.

CHAPTER TWO

1. Department of Mines A. R. for 1914, p. 36.


3. N.S.W. Statistical Registers for 1861 and 1872.


6. Affidavits of John Brown, Solomon Brown (an employee and unrelated to the family) and Alexander Johnston, October, 1909.

7. A cutting from the Newcastle Chronicle of 1861 (no precise date) in the records of "The Newcastle Morning Herald."


9. A. Hodgson, General Superintendent of the A. A. Company, to Court, No. 97, 12/3/1859. (1/9)

10. Hodgson to Court No. 122, 10/2/1860. (1/9)

11. Hodgson to Court No. 127, 11/5/1860. (1/9)

12. Ibid.


16. N.S.W. Statistical Register for 1860, 1861 and 1862.

17. N.S.W. Department of Mines A. R. for 1914, p. 36.


20. The Lambton Company enjoyed this advantage during the Vend of 1873-1880 and the Stockton Coal Mining Company shared a similar position with some other mines after its secession from the Vend in 1888 (see chapter 4). The Newcastle Wallsend Company was able to put itself in this position during the third Vend 1906-1911. (See page 240 ff) below.


23. Advertisements in the "Chronicle" of 5/2/1862 and repeated in some June and August editions.

24. E. G. Merewether, private secretary to Sir George Gipps, Commissioner for Crown Lands in the Hastings River District, Clerk to the Legislative Council and then Superintendent of the A. A. Company 1861-1875, to Court No. 22, 20/1/1863, (1/9)


27. Merewether to Court No. 22, 20/1/1863 (1/9)


31. Department of Mines A. R. for 1914, p. 36.

32. N.S.W. Statistical Register for 1863.


39. Australasia to London 21/8/1863, 21/10/1864 and 21/7/1865.
42. "Chronicle" 20/8/1864.
43. M.M. 13/9/1864.
46. "Chronicle" 20/12/1864.
47. "Chronicle" 20/12/1864.
48. Deeds of the Mimi Masonic Lodge.
49. The average value of N.S.W. coal fell to 9/4d, in 1865 and the Tomago Company which went bankrupt late in 1864 ("Chronicle 15/10/1864) was soon followed by the Coal and Copper Company which was in the hands of its creditors by June 1865, ("Chronicle 14/6/1865).
50. A. Brown to Merewether 1/2/1867 and 22/2/1867 (1/9)
51. Ibid and Merewether to Court, No. 66 19/1/1866 (1/9)
52. Copy of an agreement re the price of coal 21/11/1866 (1/63)
53. Ibid.
54. A. Brown to Merewether 10/12/1866 and 14/12/1866. (1/57)
55. Associated Masters to the Board of the Lambton Company 5/9/1868 from a copy in the A.N.U. Archives and Minutes of a meeting of Colliery Proprietors 12/6/1867 (1/63)
56. Minutes of meeting of Representatives of Northern Collieries 27/9/1867. (1/63)
57. The Alienation Act of 1861 permitted the purchase of up to 320 acres of "Crown Lands other than town lands or suburban lands and not being within a proclaimed Gold Field nor under lease for mining purposes to any person other than the applicant for purchase ----." The terms of sale specified that twenty five per cent of the purchase price of £1 per acre be paid on application for the land and the balance within

Four members of the Brown family applied for land under this legislation in January 1862: James 320 acres; Alexander 320 acres; Elizabeth, James' wife, 160 acres and John Brown, James' eldest son, 160 acres. Two employees of Browns also applied for land though this may have had no connection with the firm. ("Chronicle" 19/3/1862).

Alexander Brown also bought 331 acres of coal bearing land at an auction in December 1861. He found that the Wallsend Company was also interested in this land and competition between these two firms forced up the price. Browns' 331 acres cost £3824 with one lot of 140 acres fetching £17. 3s. Od. per acre. ("Chronicle," 11/12/1861). With coal land selling at such prices it was not surprising that Browns made early use of the new legislation.


59. Mereuther to Court, No. 95 21/12/1867 - (1/9) and Winship to Mereuther 21/12/1867, (1/86)

60. J. L. & C. Burke to Mereuther 2/7/1868 (1/57)

61. Ibid.

62. A. Brown to Mereuther 18/8/1868 (1/57)

63. Associated Masters to the Board of the Lambton Company 5/9/1868, (1/63)

64. Ibid.

65. Mereuther to A. Brown 26/8/1868 (1/41)


67. A. Brown to Mereuther 1/9/1865 (1/57)

An act of the N.S.W. Legislative permitted the linking of the Hartley Vale mine and the Great Northern Railway in December 1867. (A Collection of Private Acts of Practical Utility in force in New South Wales, 1832-1885 W. Tarleton 1886) James Browns' brother-in-law Stephen Foyle was also financially interested in this venture.

68 A Brown to Mereuther 10/12/1866 (1/57)

69. Australasia to London 21/2/1867.

70. The bank took possession in order to force Browns to make a settlement of their debts. (Australasia to London 23/4/1867 and 21/6/1867). The depreciation in the value of the Newcastle property may have been due to the low price of coal in these years. There is a suggestion in the bank records that the lower value of "Redbank" and its 16,000 sheep was due to a reduction in the price of wool.

72. Board Minute Book No. 8 of the Bank of N.S.W. 22/12/1868 and 15/1/1869.

73. Board Minute Book No. 9 of the Bank of N.S.W. 10/12/1869 and Bank Inspector to Newcastle Manager, 10/5/1870.

74. Board Minute Book No. 9, 24/2/1871.

75. N.S.W. Government Railways and Tramways Annual Report for 1898, Appendix VII.

76. N.S.W. Department of Mines and Agriculture, "Geological Survey, Mineral Resources Bulletin No. 6 - The Copper Mining Industry." 1899.

77. S.M.R. 15/12/1877.

78. Mineral Resources Bulletin No. 6 op. cit. and N.S.W. Government Railways and Tramways Annual Report for 1898, Appendix VII.

79. A. Brown to Merewether, 24/5/1870 (1/57)

80. Ibid. The influence of British coal mining experience on the industry in N.S.W. cannot be overestimated. Mining methods and terminology were borrowed from the United Kingdom and many miners and mine managers had English mining experience before emigrating. These people naturally continued to look to the English industry where diversity of field and the experience provided examples for the union, the mine owners and N.S.W. Governments. (See R. A. Collin "Coalminers" p. 17-18).

81. Department of Mines A. R. 1914, p. 36.


83. Merewether to A. Brown, 15/8/1870 (1/41)


85. Ibid.

86. A Mimi Workman to the "Chronicle" 8/6/1863.


89. "Chronicle" 18/5/1861.
90. Ibid.
93. Hodgson to Court 19/10/1860 (1/9)
95. An Act to Amend the Minmi & Hexham Railway Act (10/5/1861) W. Tarleton op. cit.
97. For evidence of industrial unrest at Minmi during Sales' tenure see p. 28 above. Brown and Company vs Minmi Pitmen was reported in N.T. and N.T. 4/2/1860.
99. N.T. & N.T. 4/2/1860. The newly formed District Union appears to have regarded Browns' success in this case as a set-back. R. A. Gollan comments; "Thomas Almwick, one of the miners' leaders, was persecuted by J. & A. Brown under the Master and Servants' Act. The defence argued that the Act did not apply since miners were contract workers. But the Court found against them thus making repeal or amendment of the Act an important part of union policy." (p. 35 op. cit.)

Gollan's evidence for this passage and the description of the strike with which he preceded it are clearly in conflict. The evidence for the prosecution of Almwick is in "The Maitland Mercury" of 3/7/1860 but the strike did not occur until October, 1860, and it is reported in the M. M. of 27/11/1860 and is correctly cited by Gollan. It is also described in S.M.H. 16/10/1860.

The prosecution of Almwick must have been in consequence of his participation of the earlier strike at Minmi in April, 1859. In that case it was not Almwick who bore the brunt of Browns' legal action but Tunney.

The decision of Judge Owen, was, on the basis of Alexander Brown's evidence to the 1862 Select Committee, a reversal of earlier decisions which had usually gone against the masters, but it did not alter the attitude of the Newcastle justices who continued to regard miners as outside the Master and Servants' Act of 1857 (20th Vic. No. 28, 11/3/1857). When the A. A. Company sought to prosecute a miner who had made a written agreement to work for the company for one year after his arrival in the colony and who had then deserted his employment, the justices refused to hear the case on the ground that miners were not "servants" as defined in this act. The A. A. Company took the case to the Supreme Court and Wise J. held that a collier was a servant within the meaning of the act. He ordered that the case be heard. (Regina vs Herewether in Wilkinson and Owen "Reports of Cases in the Supreme Court of N.S.W." Vol. I, p. 260.

Thus when Alexander Brown was reminded, when giving evidence before the 1862 Select Committee, that the miners were under the Master and Servants' Act, he replied: "That has been decided only very recently, and in order to obtain that decision the matter had to be taken into the Supreme Court." (p. 23 Report of the Select Committee and see also p.20 above).

101. Hodgson to Court 11/5/1860 (1/9)

102. R. A. Gollan, op. cit. p. 33. See also p. 48 below. Though this District Union made various charges of its name in the succeeding 54 years covered by this thesis, for convenience it is usually referred to below as "the Union", "the District Union" or "the Federation."

103. Hodgson to Court 19/10/1860 (1/9) and M. M. 27/11/1860.

104. M. M. 27/11/1860 and Hodgson to Court No. 133, 19/11/1860. (1/9)


106. Hodgson to Court No. 133, 19/11/1860. (1/9)

107. Ibid and for the settlement of the strike, see R. A. Gollan "Coalminers" p. 35.

109. R. A. Gollan "Coalminers" p. 36.

110. New Lambton miners threatened to introduce a darg in 1871 if their demands were not met. Chronicle 9/3/1871.


112. Abstract of costs of the A. A. Company's Newcastle Colliery for the six months ending December, 1863. (1/61)


114. R. A. Gollan op. cit. p. 35.

115. A. Brown to Merewether 8/10/1862 (1/57). The "Act for the better regulation of Coalfields and Collieries" became law on 20/12/1862. It principally provided for: the registration of collieries, the keeping of plans, the appointment of inspectors, financial penalties for breaches of the act, the exclusion of children under 13 years from underground labour, mines to have two exit points and for the establishment of special rules for operating the individual collieries. Various other clauses established safety rules ensuring that lift cages would be adequately protected from falling objects and that boilers would be fitted with gauges, etc. (The N.S.W. Government Gazette for 1862).


117. Minutes of a meeting of Colliery Proprietors, 30/8/1861 (1/63).

118. R. A. Gollan "Coalminers" p. 38.

119. Merewether to Court, 18/10/1861 (1/9).

120. Ibid.


122. Merewether to Court, 18/10/1861. (1/9)

123. Ibid.

124. Merewether to Court No. 7, 21/1/1862. (1/9)

125. See, for example, the concession made by the Lambton Company in 1872, p. 55.

126. R. A. Gollan "Coalminers" p. 43.
127. Ibid. p. 44.

128. Compare this collapse with the miners' determined resistance in 1909-10 and the endurance of those who, during the lock-out of 1929-30, refused to work for approximately fifteen months rather than accept a reduction of 12½% in their wages. See R. A. Gollan op. cit. p. 188.


133. "Chronicle" 17/12/1864.

134. "Chronicle" 7/1/1865 and 26/7/1865.


136. In the Supreme Court of N.S.W., No. 1912, 1865, J. & A. Brown vs. E. A. & A. Hickey, a suit to recover £5,000 due to Browns as a bord dated 22/5/1865. Hickey had absconded and Biddulph also appears to have been bankrupt but no evidence has been found of his indebtedness to Browns. N.S.W. Government Gazette, 1865, Vol. II, p. 2594.


139. "Chronicle" 13/12/1865.
A. McLagen, chronicler of the trade union movement in the North described the late 1860's in articles in the Newcastle Morning Herald: he found evidence of lengthened hours of work, dismissals of those who complained of inadequate ventilation, and even an attempt to force the miners of one mine to support a certain electoral candidate. See N.M.H. 12-2-1955-23/2/1955.


Ibid.

Based on a reading of "The Newcastle Chronicle" for the years from 1865 to 1872.

The Editor of the N.M.H. asserted that this had happened in 1877: Lambton's reduction in price was not affecting the retail price of coal: it was merely an inducement for the agents to buy Lambton coal.

Victoria imported 2,243 tons of English coal in 1865: subsequent imports never exceeded 928 tons (1867) and between 1880 and 1888 only 4 tons were imported. (Victorian Royal Commission on Coal 1891 P.P. No. 178 Vol. 6, p. 346.)

Minutes of a meeting of Northern Colliery proprietors, 19/7/1872 (1/63) and N.M.H. 6/10/1888.

N.S.W. Statistical Registers for 1866 and 1872.


Minutes of a meeting of Northern Colliery proprietors, 25/10/1872. (1/63).

C. Smith, Waratah Coal Company manager to A. A. Company 7/3/1866, (1/61) and Merewether to Alexander Brown 15/8/1870 (1/49).
152. The inelasticity of the demand for coal in the 20th century has been remarked by A. G. L. Shaw and G. R. Bruns "The Australian Coal Industry" p. 66, and by F. R. E. Maulden.

153. For example in 1841 the A. A. Company was forced to open its own coal depot in Sydney to restore the price of coal to a reasonable level and to ensure that full measure was given. In 1877 the M.R.H. commented that "reduction in the price of coal by the Lambton Company was not being passed on to consumers, M.R.H. 24/7/1877."


156. The switchback route of this railway as it crossed the Great Dividing Range reduced the speed of its operation. (Lecture by G. Blainey to Executives of the B.M.P. Company, 1965) and L. Faddison "The Railways of New South Wales, 1855-1955."

157. Curiously, only one major mine was opened during these years, the Newcastle Coal Mining Company in 1877, though the industry was very profitable. This may have been the result of ignorance of the location of further deposits of coal.

158. See Appendix VI.

159. In 1866 J. & A. Brown entered the Newcastle-Sydney general freight shipping business, using their steamer "Tamar." This trade had been monopolized for some years by the Hunter River New Steam Navigation Company and the Australasian Steam Navigation Company and Browns declared their intention of breaking into the business by charging freights which were only two thirds of those of the longer established companies. Though attempts were made to prevent the "Tamar" using a government wharf and one of the rival vessels collided with her while she was moored, Browns appear to have succeeded in this venture but then, to the chagrin of those who had supported them, withdrew the ship from the run without explanation. It can only be assumed that the steamship companies made an attractive proposition to Browns who accepted it and withdrew. (Browns' circular to customers, 17/5/1866 (1/57), "Chronicle" 6/6/1866 and 7/7/1866).
CHAPTER THREE

1. See p. 72 below.

2. M. G. Butlin p. 10 "Investment in Australian Economic Development 1861-1900".

3. N.S.W. Statistical Registers 1872, 1880 and 1881.


6. K. Burley "The Organisation", p. 373. Burley's description of the Vend (p. 373 f.f.) 7 is also erroneous, confusing the Vend system with the association of Northern Coal owners which existed before and after the three Vends of 1875-1880, 1882-1893 and 1906-1911.


11. See K. Burley "The Organisation" p. 376 f.f. Burley mistakenly credits John Brown with the first recorded instance of shipments of Newcastle coal being arranged in London in 1860. It was his uncle, Alexander Brown who was responsible: John Brown was nine years old. An affidavit, sworn by Solomon Brown (not a relative but a trusted employee, was Brown's London and San Francisco representative and held other posts) in 1909, gave details of the establishment of the overseas branches of the firm. See also N.K.H. 4/5/1880 for the appointment of a London representative and William Brown's case for the opinion of counsel, 1892.


13. K. Burley "The Overseas Trade, etc.," pages 403 and 394.

14. As it did in San Francisco and Honolulu in 1901. See pages 176 and 177 below.

15. See pages 140-141 below.

16. For its policy on shipments on colliery account see K. Burley "The Organisation" p. 372.

17. This section has been based on the letters of R. E. Hogue, J. & A. Brown's San Francisco representative from about 1890 to 1901. See also p. 171 f.f.
18. See K. Burley, "The Organisation", pages 374-5 for an example of the uncertainty of such orders.

19. Minutes of a meeting of the Board of the Associated Collieries 1/12/1875 (1/63). In 1878 this body changed its name to the Associated Northern Collieries and after the second Vend was formed in 1882 it was sometimes referred to by this name and sometimes as the Northern Coal Sales Association. In this chapter its minutes will be referred to as Minutes B.A.C.

20. An abstract of the costs of production of the A. A. and Lambton Companies for the half year ending 20/6/1869. (1/61).

21. See also p. 135 below.

22. Minni coal had to be hauled by Browns' locomotives to Hezha, then by the Government engines to Newcastle and was finally loaded by a private contractor who made a charge for his services: the amount of the charge does not appear to have survived as the A. A. Company possessed its own loading staiths. See A. Brown in Newcastle 24/5/1870(1/57)

23. For examples of the inaccuracies see Appendix III B, which consists of a section of the table used by K. Burley and a discussion of its errors.


25. In his Ch. V of "Australian Domestic Product, Investment, and Foreign Borrowing 1861-1938/39", N. G. Butlin bases his estimates for the coal industry on the records of a selection of firms whose records have survived and also carries over his results for coal mining to other mining industries e.g. see pages 119 and 121.

26. Dept. of Mines Annual Reports for 1876, 1877 and 1878. Burley obtains his apparent landed cost of N.S.W. coal in Singapore by adding the declared F.O.S. price at Newcastle to advertised freight rates.

27. K. Burley "The Overseas Trade, etc." p. 405 footnote.


29. This and the following information about the Brown family is based primarily on legal documents such as the case prepared by William Brown for submission to Counsel in England in 1892 and on the affidavits of John and William Brown and by several employees of J. & A. Brown, which were prepared in 1899 in connection with the dispute over the ownership of the firm. (See pages 273-4).

30. "Australian Men of Mark" p. 221. The information given in this book has proved to be generally reliable and there is no reason to doubt this particular reference. A search has been made in Mitchell's Maritime Register (later Lloyd's Register) for 1856 and 1858 but without success. Unfortunately the Public Library of South Australia, which did possess the 1857 volume, has not been able to locate it since 1957.


34. K. Hurley "The Organisation" passim.


36. Browns' employed E. A. White, a partner in a firm of Newcastle shipping agents, to be the manager of their new London Branch. "The opening of a branch house in London by the Messrs. J. & A. Brown, will be the means of making the capabilities of this port better known than heretofore." N.M.H. 8/3/1880.

37. N.M.H. 23/12/1881.

38. From a scrap book of shipping returns from "The Newcastle Pilot" (Newcastle Public Library).

39. Melbourne based shipping companies controlled this trade almost completely by 1903 but it is not clear when this process began: Howard Smith & Co. were certainly involved in the coal trade in 1880. N.M.H. 2/11/1880. The unsuitability of Minmi coal for gas making would also have militated against Browns in the Melbourne market.

40. The A. A. Company's records, Series 1/63, include the returns of the Vend collieries.

41. Minutes of a meeting of Colliery Proprietors 19/7/1872 and 25/3/1872 (1/63).

42. Minutes of a Meeting of Colliery Proprietors 1/2/1873 and Minutes B.A.C. 18/6/1873 and 28/1/1874 (1/63).

43. The Vend Assessment and Return for 1873 (1/63).

44. Dept. of Mines A.R.S for 1872 and 1879. The Waratah Company's short life appears to have been due to the Newcastle Wallsend Company's purchase of coal land adjacent to the Waratah Mine. (Australasia to London 20/9/1867). See page 76 for Browns' loss of New Lambton.

45. See Merewether to A. Brown 26/2/1873, (1/63) for the decision about Browns' quota and the Vend returns (1/63) and Dept. of Mines Annual Reports for the period from 1872 to 1879.
46. Vend Return for 1874 (1/63).

47. Minutes B.A.C. 1/12/1875. (1/63)


49. Minutes B. A. C. 8/9/1876. (1/63)

50. Deeds of the Mimi Masonic Lodge. In "Australian Men of Mark" Vol. II Browns paid tribute to the generosity of J. Eales Junior in accepting this settlement but in 1878 Eales had sued Browns for the rest of the money, alleging that they had misrepresented their financial position in 1873 in order to persuade him that they had no chance of paying a large sum. Eales arranged for G. R. Bibbs to give evidence against Browns in this case. He had been closely linked with J. & A. Brown in the sale of Mimi to the Melbourne and Newcastle Mimi Coal mining company, and he claimed that Eales had transferred some of their property to James Brown's brother-in-law, Stephen Foyle in order to convince Eales and had then had it retransferred after the Mimi settlement. Of course Bibbs and Browns had fallen out in the interim over their New Lambton mine. (See p. 76 above). Eales failed in his suit. Eales Vs. Brown is reported in "The Town and Country Journal" 11/5/1878 (Mitchell Library).

51. See below p. 86.


53. "The Miners' Advocate" (later merged with "The Chronicle" to form the Newcastle Morning Herald and Miners' Advocate hereafter referred to as N.M.H.) March 1st, 6th, 15th, 18th, 22nd, 25th and 29th, 1876.

54. N.M.H. 19/5/1877.

55. Copy of Minutes of the Board of the Warratah Coal Company 20/6/1873. (1/63).

56. N.M.H. 13/7/1876.

57. N.M.H. 9/7/1877.

58. N.M.H. 9/7/1877 and see N.M.H. 23/7/1877 for the miners' reception of the letter.

59. N.M.H. 24/7/1877.

60. N.M.H. 25/2/1878.

61. N.M.H. 3/5/1878.

63. Minutes B.A.C. 1/10/1878. (1/63).

64. "The Echo" 15/11/1878. A cutting in the Archives of the University of Sydney. (Hereafter S.U.A.)

65. From the circular in the Scottish Australian Company papers. (S.U.A.)

66. ibid.

67. ibid.

68. A. Hutchinson op. cit. p. 59.

69. See the cutting of a letter to "The Newcastle Pilot" dated 23/8/1879 (S.U.A.) for a graphic account of the violence of the demonstration at Lambton by supporters of the Miners' Vend Scheme: this was not reported in "The Newcastle Morning Herald". See also Notes prepared by the Manager of the Lambton Company on 24/3/1879 (S.U.A.). He was seeking legal advice as to whether he could proceed against J. Fletcher, of the Co-operative Colliery and editor of the N.M. for conspiracy. Fletcher's part in the affair was not reported in his paper.

70. R. A. Collan op. cit. p. 60.


73. Gregson to Court No. 294, 26/10/1878. (1/9).

74. ibid.

75. Gregson to Court No. 301 10/4/1879 and No. 310 20/12/1879. (1/9).

76. Gregson to Court No. 297, 18/1/1879 and No. 307, 26/9/1879. (1/9).

77. Gregson to Court No. 307, 26/9/1879. (1/9).


80. ibid.


82. ibid.

84. W. Mitchell op. cit. p. 36.

85. R. A. Gollan op. cit. p. 57.

86. Newcastle Branch of the Union Bank, Half Yearly report, December 1879.
This branch was opened in November, 1879 when J. & A. Brown became their
foundation customers.


88. Gregson reported to the Court of Directors No. 302, 9/5/1879 (1/9) -
"we have been drifting into relations with the miners which it appears
to me are equally unnecessary and impolitic."

89. See p. 78 for the condition of the Wallsend miners.

90. S.J.H. 10/4/1880, the copy of a letter to the Editor of the "Newcastle
Pilot" of 23/6/1879, (S.W.A.).

91. M. G. Butlin "Investment in Australian Economic Development 1861-1900"
p. 10. See also Footnote 92.

92. On 22nd March, 1877, after 92 miners from the Co-operative Colliery
had been dismissed by ballot, the Delegate Board of the District Union
resolved "That seeing the large amount of surplus labour in the district
and the way in which various managers are employing more men than are
absolutely required, we, the district delegates advise all the collieries
whom we represent, that in the event of more men being employed than is
necessary, the last men coming in to the colliery be the first to go."
Coal Miners' Mutual Protective Association of the Hunter River District
(hereafter H.R.B.) Minutes of 22nd March, 1877. See also the interview
between the representatives of Mirmi and the District Relief Committee
in S.J.H. 25/5/1880.

93. M.S.W. Statistical Registers 1872-75 and the Department of Mines A.R.
for 1875-79.

94. Case for the opinion of Counsel prepared for William Brown in 1892 when
he was considering legal action to wrest a share of control of the firm
from John Brown. Dibbs bought half of the New Lambton mine, which was
mortgaged for £22,000, for £20,000. "Town and Country Journal" 11/5/1878.

95. "The Australian Miners of Mark" (1886) (Vol. II p. 224) estimate appears
to be grossly inaccurate: it confuses the total value of J. & A.
Browne's property and the value of the half share of Alexander Brown.

96. C. R. Dibbs informed the Supreme Court in Dibbs Vs. Brown ("Town &
Country Journal" 11/5/1878) that "The first effect of a strike is to
'tank your banker'."

Library).

98. "Chronicle" 24/12/1868.
99. ibid 13/1/1874.

100. "The Miners' Advocate" 27/6/1874.

101. ibid 30/9/1874.

102. N.S.W. Statistical Registers for 1874 and 1875.

103. N.M.H. 12/12/1878.

104. School attendance rose from 31 in 1873, to 260 in 1876 and by 1880 there were 320 on the rolls. Mimmi School Centenary Booklet.

105. Dept. of Mines A.R.s for 1875 and 1878.

106. The N.M.H. 4/4/1895 reported the moves made by Browns to evict those miners whose leases had expired: the evidence presented reveals the nature of the leaseholds and See p. 196 below.

107. Records of the Court of Petty Sessions stored in the Wallsend Courthouse and the letter books of the Mimmi Mine manager 1906-7. (Records of Coal and Allied Sales.)

108. The lack of interest was heightened by the weekly tenancies established by Browns after the expiry of the leases and in 1997 the Mimmi manager suggested, as a means of retaining his miners, that Browns should give their tenants some incentive to maintain the houses, 75% of which were going to wreck and ruin. Durie to J. & A. Brown 19/9/1907.


110. ibid.

111. ibid 12/10/1879.


113. Minutes, a meeting of Northern Colliery Proprietors 19/7/1672. (1/63).

114 & Based on a study of the records of the A. A. Company, the Lambton Company's records and contemporary newspapers. See R. A. Gollan, "Coalminers" pages 51-52 for an account of the strike of 1873.


117. ibid p. 50.

118. Based on the Wages Books of the Back Creek Colliery 1897-1904. See also the opinion of another proprietor on page 202 below.

120. The Coal Mines Regulation Act, 1876. 39 Vic. No. 31 required proprietors to furnish on 31st December of each year the number of persons "ordinarily" employed by them. Subsequent acts also contained this provision.

121. In 1897, Minnig considerations payments raised the basic hewing rate of 2s. lid. per ton by up to 1s. 9d. per ton. (Wages Book of the Back Creek Colliery 1897-1904).

122. The Editor of the N.M.H. estimated small coal at 20% of the Lambton mine's output.

123. Department of Mines A.R.s 1876-1879.


125. Department of Mines A.R.s 1880, 1881, 1882. The sharp reduction in the work force probably occurred at the resumption of work after the 1880 strike. See p. 148 above.


128. ibid.

129. R. A. Gollan "Coalminers" p. 55-56.


131. 1881-2 N.S.W. Department of Mines letter file. (Archives Authority of New South Wales, location: 82/376, p. 10598.)

132. Based on the Vend papers (A.N.U. archive series, 1/63) and the newspapers of the period. There may have been stoppages of the colliery which did not arouse the interest of the press.

133. N.M.H. 17/8/1877, 23/7/1877 and 31/8/1877.

134. N.M.H. 17/8/1877.

135. ibid and the Minutes H.R.D. meeting of 19/7/1877 and 22/2/1878.

136. R. A. Gollan, "The Coalminers of N.S.W." p. 56; the address is part of the local history collection of the Newcastle Public Library.

137. N.M.H. 29/1/1877.
138. N.M.H. 2/12/1878.

139. N.M.H. 3/5/1878.

140. N.M.H. 7/1/1879.

141. ibid.

142. ibid.

143. ibid.

144. ibid. He was referring to "The Newcastle Morning Herald and Miners' Advocate".

145. R. A. Gollan "Coalminers" p. 61.

146. ibid.

147. A cutting from "The Echo" 15/11/1878. (S.U.A.)


2. Commonwealth Year Book No. 2 Statistical Summary p. xxxii.

3. N.S.W. Statistical Registers for 1880, 1887 and 1893.


5. N.M.H. 10/2/1893.


8. N.S.W. imports of coal rose from 10,000 tons in 1887 to 27,000 tons in 1888. (N.S.W. Statistical Register for 1888). Victoria imported about 12,000 tons from Queensland, Tasmania, South Australia and New Zealand during 1888: imports from these sources in 1887 had been only 700 tons. (Report of the Victorian Royal Commission on Coal 1891, V.P.P. No. 178 Vol. 6).


10. Department of Mines A. R. for 1892.

11. See Figure 19 p. 177.

12. N. G. Butlin, "Australian Domestic Product" Table 248, p. 413, for the reduction in imports into Australia and the table prepared by N. Runcie and included in N.B. Nairns' M.A. thesis "Some Aspects of the Labour Movement in New South Wales 1870 - 1900, etc."


14. Ibid.

15. Department of Mines A. R. for 1880 and for 1914 p. 36.


17. N.M.H. 21/2/1880.


20. The output of the Southern District had grown from 124,000 tons in 1872 to 267,018 in 1879. Collieries on the Western coal field had been in production since 1868 but in 1870 their total output was less than 3,000 tons (N.S.W. Statistical Register for 1870). Eskbank Ironworks Company began production at Lithgow in 1876 but was consuming only 37,000 tons of coal per annum by 1881 while the total annual output of the field had exceeded 146,000 tons in 1880 (N.S.W. Statistical Register). It is not suggested that the five Western mines had severely affected Northern trade but their increased sales during the years of the Vend would have been facilitated by the higher prices of the Northern Coal in the Sydney market where, presumably, some Western coal was being sold. (For the development of the ironworks see H. Hughes "The Australian Iron and Steel Industry," p. 19 ff.)


22. Department of Mines A. R.'s for 1880 and 1881.

23. Gregson to Court No. 348, 3/6/1881 (1/9)

24. Gregson to Court No. 1/7/1881 (1/9)

25. A.N.C. Minutes (1/63) 22/11/1881

26. A.N.C. Minutes (1/63) 13/9/1882

27. Articles of Agreement of the Second Vend, 26/10/1882 (1/63)

28. Based on the records of A.N.C. (1/63).

29. Department of Mines A. R.'s for 1882-1886 and the Vend returns for these years. (1/63).


31. Memorandum regarding Wickham and Bullock Island and the Stockton Coal Companies' connection with the A.N.C. 1894 (1/63).

32. To Stockton Bank and rely to Edgeworth David.

D. Branagen "The Borehole Seam, a particular study of coal formation and utilization in N.S.W." 1962. Branagen found that several seams of the Newcastle coal measures merged at Stocktons.
34. The editor of the N.M.H. referred to the unprecedented demand for small coal during 1879 (N.M.H. 14/2/1880).

35. Minutes A.N.C. 7/2/1888 (1/63).

36. A.N.C. Minutes 10/7/1888 (1/63).


39. Department of Mines A. R. 's from 1882 to 1888 and N.M.H. 7/1/1888.

40. N.M.H. 19/11/1888 and 20/11/1888. It was estimated that it would take three months of constant work to load the 99,303 tons of shipping in the harbour on 19/11/1888.

41. Gregson to Court No. 644 1/3/1893 (1/9)

42. Department of Mines A. R. 's 1889 and 1891 and Vend Returns (1/63).

43. The Annual Vend Statements of Amounts Payable and Receivable, 1882-1890 (1/63)

44. Ibid.

45. Note discrepancy between amount paid in compensation and the average amount received by Browns (p. 105). This was due to loss of compensation when the amount undersold exceeded one fifth of the vend. (See p. 111).

46. Articles of Agreement, 26/10/1882 (1/63)

47. The Annual Vend Statements of Amounts Payable and Receivable for 1883 and 1890 (1/63).

48. Vend Calculations for the years from 1882-1891 (1/63)
49. Compiled from the Annual Vend Returns 1882-1893 (1/63)

50. Remarks on the money results of the working of the Associated Collieries, February, 1894, (1/63).

51. Ibid.

52. The Half Yearly Balances of the Union Bank for the period December 1879 to September, 1885, (Newcastle Branch of the A.N.Z. Bank).

53. He became an M.L.C. Newcastle Manager of Dalgety & Company Ltd., and the first President of the Hunter River District Water Board. Alex also continued to operate the New Lambton mine.

54. The Opinion of Counsel (F. M. Darley) 7/4/1883, a Case for the Opinion of Counsel, 10/6/1892, and an unsigned memo prepared for John Brown's lawyers, probably in 1909, during the struggle between John and William Brown for control of the firm. The writer, probably an employee, claimed that Solomon Brown, a trusted employee of the firm, would substantiate his information.

55. F. M. Darley's opinion, 7/4/1883.

56. Ibid.

57. Ibid.

58. Half Yearly Balance of Union Bank, August, 1883.

59. Unsigned memorandum, see footnote 54 and a Case for the Opinion of Counsel 1892.

60. Ibid.

61. Half Yearly Balance of Union Bank August 1883 and "Sun" 24/12/1887.


63. Ibid.

64. Ibid.

65. Ibid.
66. Ibid.

67. Ibid.


69. Half Yearly Balance of Union Bank, February 1884.

70. Opinion of A. Knox and J. Harvey, 6/2/1907, sought by the Union Bank without informing the Brown family.

71. Union Bank Balances, August 1883, February 1884 and August 1884.

72. Ibid. February, 1885 and the unsigned memorandum referred to above, see f.n. 54.

73. See Table 31.

74. N.M.H. 24/6/1893.

75. Vend statements of Amounts Payable and Receivable, 1884-1889 (1/63)

76. Department of Mines A. R. for 1889 and 1890.

77. For a description of the effects of this strike see R. A. Gollan "Radical and Working Class Politics" p. 132-3.

78. N. G. Butlin "Investment in Australian Economic Development 1861-1900" p. 9.

79. See Figure 11 and export from the Port of Newcastle in Department of Mines A. R. for 1890 and 1891.

80. For example see John Brown's interview with a reporter in N.M.H. 24/6/1893.

81. See p. 71 for evidence of Browns' and the Scottish Australian Company's Lambton Colliery's dependence on the foreign trade.

82. "The Wallsend and Plattsburg Sun" (hereafter "Sun") 22/3/1890 and 14/6/1890.

83. Vend Returns for 1890 (1/63)

84. N.C.A. Minutes 10/6/1890 and 24/6/1890. (1/63) and N.M.H. 25/6/1890.
85. N. M. H. 14/6/1890.

86. A. N. C. Minutes of 18/11/1890 (1/63).

87. Gregson to Court, No. 575, 5/12/1890 (1/9).

88. Gregson to Court, No. 576, 18/12/1890 (1/9).

89. See p. 181 f.f. below.

90. N.S.W. Statistical Registers 1868-1874 and Department of Mines A. R.'s 1875-1893.

91. Department of Mines A. R.'s 1890-1900.

92. Department of Mines A. R. for 1914, p. 36.

94. Department of Mines Annual Reports 1890 - 1900.

95, 96, 97, 98, 99, 100, 101, 102, 103. ibid. Vol. 8. Reprint p. 120, 124, 125, 126, 127.

104. Case for the Opinion of Counsel, 10/6/1892.

105. It was 11s. 7d. per ton in 1883 and 11s. 3d. in 1890. Department of Mines A. R. for 1914 p. 36.

106. A.N.C. Minutes 23/6/1891 and 4/8/1892 (1/63)

107. A.N.C. Minutes 20/10/1891 (1/63)

108. Gregson to Binney 16/12/1891 (1/63)

109. Binney's Memorandum in reply (1/63)

110. Ibid.

111. Ibid.

112. A.N.C. Minutes 2/2/1892 and 17/5/1892 (1/63)

113. A.N.C. Minutes 19/7/1892 and 31/7/1893 (1/63)

114. A.N.C. Minutes 30/6/1893 and 31/10/1893 (1/63) and for the trade figures see Department of Mines A. R. for 1914 p. 36.

115. N.S.W. Census of 1891 and 1901.


117. Ibid. 16/5/1888.

118. Ibid. 13/7/1887.

120. Department of Mines A. R.'s 1884 and 1893.

121. Ibid. 1883, 1886, 1889 and 1892.

122. G. H. Kingsmill "The Coalmines of Newcastle, N.S.W. Their Rise and Progress."


125. Ibid. p. 28.

126. Case for the Opinion of Counsel 10/6/1892.

127. Ibid.

128. Unsigned memo, see f.n. 54 this chapter.

129. Ibid.

130. Solomon Brown (employee) to John Brown 27/2/1908.

131. Case for the Opinion of Counsel 10/6/1892.

132. Ibid.

133. Ibid.

134. Ibid.

135. Ibid.

136. From the copy of the will of John Brown in the possession of Mr. E. Armstrong of Newcastle.

137. William Brown to John Brown 19/7/1906. William referred to "those wonderful brains of yours (John's)" and asked him to give one instance "wherein the exceptional talent you claim to possess has been displayed since you returned from London in 1904."


139. Gregson to Court No. 393, 3/3/1883 (1/9). Drawing hours were reduced from 10 to 8 1/2 hours in 1886 (see p. 142).
140. N. M. H. 29/12/1893 and see Walter Goodwin to the N. M. H. 15/11/1886 for a description of the working hours of some miners who chose to work very long hours.


142. "Sun" 29/1/1887.

143. Report of the Miners' check inspectors, "Sun" 15/1/1887 and N. M. H. 13/7/1892.

144. "Sun" 15/1/1887.


148. Department of Mines A. R. for 1881, p. 115. The original reads "at separate mines" but the context indicates that it should be "at separate times."

149. Department of Mines A. R.'s for 1883-1893.

150. Ibid for 1883.


152. The Half Yearly Reports of the Inspectors in charge of the various mining districts in the Annual Reports of the Mines Department 1880-1893. passim.


154. R. A. Gollan "Coalminers" p. 55.

155. As for footnote 153.

156. R. A. Gollan "The Coalminers etc" p. 97.

157. By 1890 the fund was no longer in existence and negotiations had begun to try to establish one. N. M. H. 12/7/1890.

158. N. M. H. 7/11/1889 and N. M. H. 24/7/1890.

160. The Mines Accident Relief 1900 Act. is provided for allowances for the dependents of those killed and injured to be financed by employer, employee and government contributions.

161. In his 1881 report J. Gregson described newspaper reports of shipments from the port of Newcastle as generally unreliable and more than usually
unreliable in the year 1881. He also criticised the Customs House records which he considered should have been most reliable "as officials have no object to serve in allowing more inaccuracy to creep in" but said that he had always found them inaccurate. (Gregson's Annual Report to the Court of Directors, 6/3/1882 (1/9).

162. The Newcastle newspapers provide a wealth of examples of interruptions to the working of the collieries because of such occurrences. See, for example, the weekly entries in the N. M. H. 1896 - 1924. "Work at the Pits."

163. Department of Mines A. R.'s 1882 and 1884.

164. R. A. Gollan "The Coalminers etc" Appendix I.

165. Data from Department of Mines A. R.'s 1885 and 1886.

166. Data from Department of Mines A. R. for 1887.

167. Department of Mines A. R. for 1890.

168. Data from Department of Mines A. R.'s for 1891 and 1892.

169. N. M. H. 11/9/1893.

170. See pages 192, 195 and 223.

In 1923 John Brown carried out a threat to close his Stockrington mine if there was a further interruption to its working. When a day's work was lost owing to the miners ceasing work to attend the funeral of a fellow miner, the mine was closed. It did not reopen in John Brown's lifetime but his 1926 correspondence with P. Croft indicates that he was maintaining and equipping this mine so that, when the time came, he would have the most efficient Borehole seam colliery with which to confound his rivals, especially those companies who combined coal and shipping interests.


172. John Brown returned to N.S.W. in late 1880 or early 1881, bringing with him, from Glasgow, Agnes Beckus Brown, whom he married early in 1881. She was 21 years old. On 17th August, 1881, she died in Sydney and was brought to East Maitland and buried at the Presbyterian Cemetery where other members of the Brown family had been interred.

There was only one brief notice in "The Newcastle Morning Herald" of 20/8/1881, suggesting that she had died after a lingering and painful illness which had extended over many months. The death certificate is of little help as it gives as the cause of death, "Hysteres Cerebral." This description of the cause of death, the secrecy surrounding her illness and the fact that the informant notifying her death knew nothing of her personal life, not even the duration of her stay in the colony or that she came from Scotland, suggests that she died insane.
The effect this tragic marriage on John Brown is impossible to gauge. He appears to have had no further close relationships with women though one article which appeared in "Smith's Weekly" suggested the contrary. The writer of this article was the subject of a bitter feud between John Brown and his brother Stephen Brown over the latter's habit of squandering the firm's profits on the author of the article: there may have been some slender basis of fact behind the allegations but they are out of character.

In considering the effect of the death of his wife on John Brown, it should be remembered that shortly afterwards he received another severe shock when Alex Brown, his cousin and co-trustee of J. & A. Brown, was found to have betrayed the firm. (See p. 114).

173. See p. 121 ff. above. The 1890 strike had disrupted the foreign trade of that year: it does not appear to have had the long term effects attributed to it by John Brown.


175. The Mimi Manager, R. Thomas, presented the prizes at the Annual Prize Giving at the Mimi School in December, 1890, on behalf of William Brown ("Sun" 24/12/1890). John Brown's absences abroad limited his ability to visit the mines: those miners who worked for him in the late 19th and 20th centuries seldom saw him.

176. In the "Sun" of 16/3/1895 an old miner expressed his appreciation of the generosity of James Brown, who had sent truck-loads of stores to his employees, when times were bad, and who had given as much as half a ton of flour to some families.

177. Miner to N. M. H., 20/5/1880.

178. N. M. H., 15/4/1880.


180. Gregson to Court No. 366, 16/12/1881 and No. 385, 22/9/1882 (1/9)


183. Ibid p. 67.

184. See p. 96 above.

185. R. A. Gollan "Coalminers etc" p. 67.

186. Based on a study of the A. N. C. Minutes 1882-1885 (1/63)
187. N.M.H., 20/4/1883. This appears to have been conceded. See meeting of Wallsend Miners reported in N.M.H.

188. See N.M.H. 30/2/1883, 17/9/1883 and 19/9/1883.

189. N.M.H. 10/3/1884.

190. N.M.H. 30/5/1883.

191. N.M.H. 12/6/1884.

192. N.M.H. 9/9/1884 and 17/9/1884.


194. N.M.H. 5/3/1887.


196. N.M.H. 14/9/1885.

197. The Northern Coal Owners' Mutual Protection Association (hereafter N.C.O.M.P.A.) records for 1886 (1/62)

198. Gregson to Court No. 434, 18/9/1885 (1/9) The Draft of an Agreement to establish the N.C.O.M.P.A. (1/62) This appears to be the actual constitution of the Association though it has not been signed.

199. See p. 148 below.

200. Gregson to Court No. 434, 18/9/1885 (1/9) and Draft of an Agreement op. cit. (1/62)

201. Draft of an Agreement op. cit. (1/62)

202. N.C.O.M.P.A. Minutes 10/2/1886 (1/62)


204. N.M.H. 29/6/1886.

205. N.C.O.M.P.A. Bank Cheque Book, entries of 21/7/1886 and Minutes of 12/5/1886 (1/62)

206. N.C.O.M.P.A. to Members 26/1/1886 (1/62) and 7/10/1887 S.U.A.

207. N.M.H. 25/1/1887.
208. Claim of the Burwood Coal Mining Company, 28/11/1887 (1/62)


210. A.N.C. Minutes 30/9/1887 (1/63)

211. "Sun" 17/8/1887 and 24/8/1887.

212. Ibid 24/8/1887.

213. Data from Department of Mines A.R.'s for 1885, 1886 and 1887.

214. N.M.H. 23/5/1887.

215. Gregson to Court No. 473, 27/5/1887 (1/9)

216. Draft of The Newcastle Collieries Unanimity Guarantee Association (1/62)


218. Ibid.


220. Ibid.

221. Ibid.


224. See the "Wallsend and Plattsburg Sun" in particular, for a description of the events of this strike period. The reference to the beating of non-union labourers is in the issue of 10/11/1888.

225. Gregson to Court No. 503, 12/10/1888 (1/9)

226. For an account of this strike and the terms of its settlement see R. A. Gollan "Coalminers" pages 77-78.


228. Ibid.

229. R. A. Gollan "Coalminers" p. 74.

231. R. A. Gollan "Coalminers" p. 75.

232. Data from the Department of Mines A. R. for 1889.

233. "Sun" 8/2/1890.

234. Ibid 22/3/1890 and 14/6/1890.

235. Data from the Department of Mines A. R. for 1890.

236. See Steamship Owners' Association to A.N.C. 22/1/1886 (1/63)


238. Data from the Department of Mines A.R.'s for 1891; 1892 and 1893.

239. "Sun" 20/1/1892.

240. Northern Output per underground worker fell to 339 tons in 1893 (See Table 35, p. 137. Six collieries had not worked during the first half of September, one had worked full time and the rest had been operative for from two to nine days. N.M.H., 11/9/1893 and 14/9/1893.

241. See pages 95-96 above and p. 267 below.

242. N.M.H. 24/6/1893 and "Sun" 8/7/1893.

243. N.M.H. 14/9/1893.

244. N.M.H. 11/1/1893.

245. Ibid 21/9/1893.

246. Ibid 25/9/1893.

247. Ibid 26/9/1893.

248. Ibid 21/9/1893.

249. Ibid

250. Ibid 19/9/1893.


252. N.M.H. 14/10/1893 and 23/12/1893.

253. Ibid 29/12/1893.
254. Ibid 22/12/1893.

255. Ibid 16/12/1893 and 30/12/1893.


257. N.M.H. 21/8/1893.

258. In June 1895 the Newcastle Morning Herald remarked that there had been continuous industrial strife in the district for more than six months and in that period there had never been a day when all mines in the North were at work. (N.M.H. 1/6/1895).

259. N.S.W. Department of Mines A. R. for 1892.
CHAPTER FIVE

1. For the location of this coal field and its discovery and early development see Appendix 5 (map) and pages 164-166.

2. N. C. Butlin "Australian Domestic Product, etc.," p. 10.

3. See Figure 17 below, p. 157.

4. In the case King and Attorney General vs. Associated Northern Companies (1911) C.I.R. 14, the proprietors asserted that the Boer War had boosted the export of coal for two years and had assisted them to increase the price of coal (p. 522 and 603). In 1904, the representatives of J. & A. Brown, The Newcastle Wallsend Company, and The A. A. Company, in a statement to the N.W.H. claimed that the end of Boer War relieved many cargo vessels which became available for coal carrying thus lowering freights. N.W.H. 1/5/1903.

5. Dept. of Mines Annual Report for 1914 p. 36. In 1900, for example, the value of coal sold to foreign ports was 8s. 0.03d. per ton, for coal sold in intercolonial ports the value was 7s. 2.92d. but the value of all coal sold was 6s. 9.72d. per ton. About 40% of this coal was sold in N.S.W.

6. In 1894 there were 56 million sheep in New South Wales; in 1902, 27 million. This reduction was the result of drought. W. Cain, "Companies and Squatting in the Western Division of New South Wales 1895-1905" p. 185.


11. Commonwealth Year Book, No. II (1913) and N. C. Butlin "Australian Domestic Product, Investment and Foreign Borrowing" 1861-1938-1939, Table 6 p. 20.

12. Victorian Royal Commission on Coal 1906 V.F.P. No. 13. Appendix A


14. By 1903 there were 56 collieries in the Newcastle area; they were mining six different seams of coal and they were situated in a vast triangular area of land situated between Newcastle and the Waratah Mine at Catherine Hill Bay, 20 miles south of the mouth of the Hunter River and East Greta almost 30 miles to the West.


17. Ibid 1895, 1900.

18. N.M.H. Fortnightly Series "Work at the Pits" 1897-1901, and the Back Creek Colliery Wages Book 1897-1904.


21. N.M.H. 14/1/1897.

22. N.M.H. 13/7/1897.

23. N.M.H. 18/9/1899.

24. N.M.H. 11/12/1899.

25. N.M.H. 22/1/1900.

26. Ibid.

27. N.M.H. 21/1/1900.

28. F. Turner, Secretary of the Scottish Australian Company to F. Croudace, manager of its Lambton Colliery 19/2/1898. (S.U.A.)

29. N.M.H. 13/5/1901; 5/9/1898 and see also p. 136 above.

30. N.M.H. 12/6/1897; 25/6/1899 and 20/2/1899 for delays occasioned by the slowness of ballast handling.

31. Based on the reading of the N.M.H. from 1896 to 1900.


33. A cutting from "The Newcastle Morning Herald" of 1897, no date in Brown's legal records.

34. Ibid. The area of the colliery was obtained from the Report of the 1919 Royal Commission, (Sydney, 1919) p. 57. Production figures are taken from the records of Coal and Allied Sales. The delay in repayment is revealed by Hogue to John Brown, 28/7/1902.

35. Affidavit of 26/10/1909.


39. Hogue to John Brown 7/3/1904. Compressed-air driven coal cutters were first used in England in the 1870's: they consisted of horizontal wheels or discs which carried on endless chain of picks. An American source suggests that the first compressed-air driven cutters were brought into use there during the 1880's and that the first electric coal cutter in the world was manufactured in 1889 and installed in an Illinois mine.

In N.S.W. two companies made experiments with coal cutters during the 1890's. The Hutton Company tried out a Jeffrey holing machine in October, 1894 and the A. A. Company tested a Jeffrey cutter in its New Winning Colliery in November, 1896. In the 1896 test the cutter proved expensive: it was in use for twelve days and cut 20 tons, 14 cwt. of coal at an average cost of 6s. 6d. 2/6d. per ton.

There appear to have been no further use of machine cutters until Browns imported them in 1902 and there was the first successful commercial use of them.


41.
42.
43. [N.W.H. 3/2/1904.
44.

45. Hogue to John Brown 30/6/1902. The transport of Felaw Main coal on the East Greta Company's line was made more difficult for the management of the mine by John Brown's slowness to increase the supply of rolling stock. After repeated requests from Hogue he finally agreed to buy additional wagons but announced that he would have them manufactured in England and shipped to Newcastle. Hogue wrote urging him to have wooden hoppers with a life of from 10 to 15 years built locally rather than buy English wagons with a shorter life but at a cost of $150 each. He argued that they were too expensive, that they would be too slow in arriving and that their durability was not called for: he concluded "and the lord knows where all concerned will be in 35 years." (Hogue to John Brown 2/3/1903.)

47. Ibid 28/10/1903.

48. Ibid 30/6/1902.

49. Ibid, fragment, 1902.

50. Ibid 28/7/1902.

51. Ibid 1/2/1904.

52. The Caledonian Company's Aberdare Colliery and the East Greta Company's Stanford Herthyr Mine.
53. N.M.H., 25/6/1904 and William Brown's petition to the N.S.W. Legislative Assembly, received 23/8/1903.

54. R. E. Hogue predicted in 1902 that by 1906 many of the older Newcastle Field mines would either be exhausted or much reduced in output. (To John Brown, fragment, 1902).

55. Hogue to John Brown 13/10/1902.

56. Ibid, fragment 1902. It is indicative of the great loss of coal in some of these Greta Seam mines, that by 1961, when it was closed, only 19,776,000 tons had been won from Pelaw Main. (Records of Coal and Allied Sales). It is not asserted here that 200 million tons was an accurate estimate of the coal in this estate, but Hogue's estimate would have been based on the evidence of Browns' technical staff. It has however, been asserted that the recent closures of Pelaw Main and other Greta seam mines without provision for their maintenance will make it impossible for them to be reopened should their coal ever again be required.

57. Commissioned 9/4/1903 and dated 15/9/1903. The Kippn test is from "The Coal Resources of N.S.W." by E. W. Pittman, Sydney 1912, p. 29.

58. E. W. Pittman. Ibid.


60. Hogue to John Brown 29/12/1902, 18/1/1903 and 2/3/1903.

61. Pelaw Main coal was not the first Greta Seam coal to be marketed: the East Greta Company had produced substantial quantities from its East Greta Mine for many years before 1900. Its coal was discoloured, not as pure as Pelaw Main coal and contained a great many pyrites in the upper part of the seam. (Mr. G. Harman, Coal Geologist, B.H.P. Company and the evidence of the East Greta Company before the Arbitration Court in 1902, N.M.H. 30/1/1903).

62. Hogue to John Brown, undated fragment, probably late 1903 or early 1904.

63. Statistical Summary of Browns Foreign Trade Ventures 1904-10.

64. Average Values of Coal By District

<table>
<thead>
<tr>
<th></th>
<th>Northern</th>
<th>Southern</th>
<th>Western</th>
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<tbody>
<tr>
<td>1899</td>
<td>6/2</td>
<td>4/11</td>
<td>4/2</td>
</tr>
<tr>
<td>1903</td>
<td>8/1</td>
<td>5/8</td>
<td>5/0</td>
</tr>
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Source: Department of Mines A.R. for 1903.

65. J. & W. Browns' first contract with the Australian Gaslight Company was for the supply of coal for 1904, 1905 and 1906 at 10s. 3d. per ton for large coal and 6s. per ton for small coal, delivered in Sydney. (Minutes of the Australian Gaslight Company 17/12/1903, 24/12/1903 and 31/12/1903.)
66. In 1899, Hogue wrote to John Brown, stressing the heavy losses being incurred by the tugs in addition to their depreciation. Losses had been incurred for the four years which had elapsed since competition had commenced and Hogue urged John to agree to share the trade with Fenwicks. "I think it is as well in the first place to give up the idea that opposition can be driven away. There will always be opposition." (Hogue to John Brown 8/8/1899).

In 1909 William Brown criticised John Brown for his inefficient handling of the tugs. He asserted that Browns had lost £11,681 on the tugs between 1895 and 1907 and that they had not made a profit "for years." (Affidavit of William Brown, sworn 22/10/1909).

The agreement with Fenwicks did not last: it may have been immediately rejected by John Brown, whose permission had not been obtained by Hogue.

67. A Statistical Summary of J. & A. Browns' foreign and interstate ventures for the period from 1904 to 1910 has survived. It details the origin of coal, the ships which carried it and the annual profits or losses from sales in these two markets.

68. Ibid.


70. Hogue to John Brown 22/1/1898.

71. The Hogue Correspondence 1898-1901, passim.


73. Hogue to John Brown, undated fragment 1902.


76. Ibid 13/1/1900.

77. Ibid 13/1/1900.

78. Ibid 13/1/1900.

79. Ibid 15/12/1899.

80. Ibid 9/12/1899.

81. Ibid 9/12/1899.

82. Ibid 12/5/1900. Hogue usually quoted his price in dollars or pounds sterling. These dollar-pounds sterling equivalents were obtained by use of one of his expense accounts which gave an exchange rate. They can only be regarded as approximations.

83. Ibid 12/5/1900.
64. Ibid 26/5/1900 and 1/11/1900 and an undated fragment of 1900.

65. Ibid 6/12/1900.

66. Ibid.


69. See pages 177, 178 and 234-235.

70. Hogue to John Brown 27/4/1903 and N.M.H. 18/7/1904.


72. K. Burley "The Overseas Trade" p. 409.

73. Dept. of Mines A.R.s from 1891 to 1892. In the years from 1904-1909 Browns' shipments to this market in the first half of the year exceeded the tonnage exported in the second half in every year but 1906.

74. Dept. of Mines A.R.s from 1893 to 1905.

75. Court to Gregson 3/8/1894 (1/48) and Turner to Croudace 16/2/1898. (S.U.A.)

76. Turner to Croudace 13/2/1903 and 9/4/1903. (S.U.A.)


78. Statistical Summary of Browns' Foreign Trade Ventures 1904-1910.

79. Ibid.

80. See p. 220 below.

81. Hogue to John Brown 30/6/1902.

82. Data from Dept. of Mines A.R.s for 1894 and 1905.

83. Memorandum of Agreement establishing the Australasian Steamship Owners' Association 1902, from the copy in the records of the A.A. Company; it was supplied to the company by J. & A. Browns' Melbourne Office in 1906 and was, presumably, acquired when Browns employed one of the Association's managers in 1902.

84. Ibid.

106. Hogue to John Brown, fragment, between June and September, 1902.

107. Hogue to John Brown, fragment, 1902.


110. Ibid 24/8/1903.

111. Ibid 14/9/1903.

112. Ibid 29/3/1903.

113. Hogue to John Brown 29/9/1903. Ironically, when the 1906 Vend increased the price of coal and freights were increased by the Shipping ring, thus increasing the costs of production of the Metropolitan Gas Company, yet Isaac, J., in his 1909 judgment in the Vend case, condemned the coal-shipping combine for exploiting the gas company. (The King and the Attorney General vs. the Associated Northern Collieries (1911) 14. C.L.R.


118. William to John Brown 16/12/1903.


120. I must correct a wrong impression you have formed. I did not commit the firm to anything without their sanction. I left Alfred McLennan temporarily in charge and advised his appointment, and he was appointed by your brother. Brother or no brother, it was necessary to appoint someone and this man understood the business. Hogue to John Brown, 28/3/1904.

121. L. Learmonth, A. A. Company Superintendnet, to J. Gregson 10/12/1903. (1/41).

122. R. A. Gollan "The Coal Miners etc.," p. 97.

123. Ibid p. 105.


125. Ibid p. 221.


128. Ibid. Evidence of Peter Curran p. 118 f.f.

129. Ibid p. 120.

130. Ibid.

131. Ibid.


133. Ibid p. 119-120.

134. Ibid p. 119.

135. Ibid. Evidence of miners and the mine manager pages 120, 219 and 310.


137. Ibid evidence of M. Yates p. 318

138. See Appendix A. P. A. Gullan "Coal miners".

139. N.M.H. 1/1/1894 and 6/1/1894.

140. N.M.H. 6/1/1894.

141. N.M.H. 13/1/1894.

142. Ibid. 15/1/1894.

143. Ibid. 15/1/1894 and 19/3/1894.


145. N.M.H. 20/10/1894.

146. Based on a reading of the contemporary newspapers.

For the 1861 strike see p. 45 above.
147. N.M.H. 13/2/1895.


149. N.M.H. 14/2/1895.

150. Ibid.

151. Ibid 19/2/1895.

152. Ibid 23/2/1895.

153. Ibid 25/2/1895.

154. Ibid 14/3/1895.

155. Ibid 27/3/1895.


157. A series of police telegrams relating to this case was tabled in the N.S.W. Legislative Assembly on 13/3/1895, by the Colonial Secretary, Mr. Brunner. See Parliamentary Debates, N.S.W. L.A. 1894-5, First Series Vol. LXXV p. 4392.

158. N.M.H. 8/3/1895.

159. Parliamentary debates op. cit. p. 4386.

160. Ibid.

161. Ibid.

162. N.M.H. 30/3/1895 and "Sun" 16/3/1895.

163. N.M.H. 12/3/1895.

164. "Sun" 16/3/1895.

165. Ibid.

166. N.M.H. 4/4/1895.

167. Ibid 30/3/1895.

169. Ibid.


171. N.M.H. 17/4/1895 and "Sun" 20/4/1895.

172. Ibid.

173. N.M.H. 18/4/1895.

174. Entrance Book Maitland Gaol Location 753, N.S.W. State Archives.

175. N.M.H. 22/4/1895.

176. Ibid.

177. The McElane Manuscript in possession of J. Comerford, Fifth Street, Weston.

178. N.M.H. 11/6/1895 and 12/6/1895.

179. "Sun" 20/4/1895.

180. N.M.H. 11/6/1895 and 12/6/1895.

181. N.M.H. 12/6/1895.
182. N.M.H. 22/4/1895.

183. N.M.H. 12/10/1895.

184. N.M.H. 17/10/1895.

185. N.M.H. 21/10/1895.

186. Ibid.

187. Ibid.

188. Ibid.

189. Ibid.

190. N.M.H. 22/4/1895 and the "Sun" and N.M.H. 1893, 1894 and 1895.

191. Peter Curran, for example, was refused work at Minmi and eventually had to move to Sydney to find employment.

192. N.M.H. 30/10/1895.

193. N.M.H. 12/10/1895.

194. M. Cowlishaw, Newcastle Colliery proprietor to a contemporary in N.M.H. 24/10/1895.


196. Ibid and N.M.H. 14/3/1896.


198. N.M.H. 31/3/1896.


200. Ibid.


204. "Sun" 6/6/1896. The case hinged upon the nature of the miners' notice of their intention to cease work in 14 days. They had given notice through their Secretary but the Court held that each miner should have given notice individually in accordance with a notice to that effect which was posted by Browns after the miners had given their notice.


207. "Sun" 4/7/1896.

208. Minutes of a meeting of colliery proprietors, 6/7/1896. (1/61)

209. Turner to Croudace 16/7/1896. (S.U.A.)


211. Turner to Binney 31/8/1896.

212. Department of Mines A.R. for 1904.

213. The Wages Book of the Back Creek Colliery 1897-1904.

214. The output of the individual mines was not included in the Annual Reports of the N.S.W. Mines Department after 1903. The productivity of Northern District Miners was normally very much lower than that of miners in the Southern and Western Districts of the state. This appears to have been the result of more difficult conditions in the Northern mines, particularly in the nature of the roof.

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<th>Output per Underground Worker</th>
<th>Southern</th>
<th>Western</th>
<th>Northern</th>
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<tr>
<td>1889</td>
<td>439</td>
<td>616</td>
<td>422</td>
</tr>
<tr>
<td>1902</td>
<td>674</td>
<td>959</td>
<td>647</td>
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</table>


216. Ibid for 1897 - 1901.


220. Ibid.

221. Ibid.


228. M.N.H. 10/12/1900.

229. R. A. Gollan "Coalminers" p. 94.

230. "The Newcastle Morning Herald" files for the years from 1900 to 1903 record the growth of the union: old lodges were readmitted, new lodges joined, membership increased and union funds were built up. 5,100 members and £6,792 in October, 1901 (M.N.H. 18/10/1901); 6,324 members and £7,961 in December 1903 (M.N.H. 22/1/1904).


232. M.N.H. 4/1/1901 and there were several alleged cases of miners who had been dismissed for unionist activity. In one case the East Greta Company dismissed the whole executive committee (11 men) of the newly formed local lodge on the ground that it had no right to join the District Union because of the difference between the East Greta Seam and the seams of the Newcastle district. (M.N.H. 9/10/1901).

233. Some strikes by wheelers 1900-1903.

Dudley wheelers (M.N.H. 12/10/1900)
Stockton " (M.N.H. 8/2/1901)
Wallsend " (M.N.H. 14/11/1901)
Burwood " (M.N.H. 13/8/1902)
Burwood " (M.N.H. 2/7/1903)
Pehaw Main " (M.N.H. 7/10/1903)

234. See pages 208 and 209 above.


236. R. A. Gollan "Coalminers" p. 82 f.f.
237. Ibid p. 86. Hogue's statement was quoted in N.M.H. 11/11/1903.

238. "The Industrial Arbitration Act" No. 59, 1901, "An act to provide for the registration and incorporation of industrial unions and the making and enforcing of industrial agreements: to constitute a court of arbitration for the hearing and determination of industrial disputes and matters referred to it: to define the jurisdiction, powers and procedure of such court: to provide for the enforcement of its awards and orders; and for purposes consequent on or incidental to those objects." Preamble to the Act in "The Statutes of N.S.W., 1901" H. Cockshott and S. Lamb (editors).

239. R. A. Gollan "The Coalminers" p. 108.

240. Ibid p. 111.


243. N.M.H. 1/5/1903.

244. N.M.H. 8/5/1903.

245. The Coal Mines Regulation Act (1896) 60 Vic. No. 12.

246. N.M.H. 8/5/1903.

247. N.M.H. 15/8/1903.
248. N.M.H. 13/1/1904, "The Daily Telegraph" 15/1/1904 and 20/1/1904.

249. S.M.H. 21/1/1904.

250. Ibid.

251. Turner to Croudace 8/5/1903. (S.U.A.)


253. N.M.H. 1/5/1903.


255. Ibid 24/11/1902.

256. N.M.H. 9/5/1903 and 14/5/1903.

257. N.M.H. 16/5/1903.

258. Ibid 14/5/1903.

259. Ibid 14/5/1903 and 16/5/1903.

260. Ibid 16/12/1903.


262. Hogue wrote to John Brown on 24/11/1902. The miners were demanding a tonnage rate "because they see what a soft thing they have got on by working thick seams, like Pelaw Main --."

263. Hogue to John Brown, fragment 1903.


266. Hogue to John Brown, fragment, 1903.


269. Ibid 2/11/1903.

270. Hogue to John Brown 5/10/1903.


272. Hogue to John Brown 19/10/1903.

273. Ibid 16/11/1903.

274. Ibid 21/3/1904.

275. Ibid.

276. On 12/5/1900 Hogue wrote to John Brown: "You must be satisfied with a fair thing for you can't get it all no matter how hard you try. This is a mistake you are making with those infernal tug boats, swamping money when you ought to be making thousands, and the shipowners laughing up their sleeves at you. What does it matter to you if Fenwick makes a little, if you make more."


278. Hogue to John Brown 5/10/1903.

279. Ibid 19/10/1903 and 5/10/1903.

280. Ibid 29/2/1904.


282. Ibid.


284. Ibid fragment, October 1903.

285. Ibid and Hogue to John Brown 5/10/1903 and 19/10/1903.


287. The opinion of J. Brown of Cessnock (not a relative of the proprietors) who worked as a wheeler at Minmi early in the 20th century and then in a Greta Seam Colliery in the same capacity.
There was some controversy as to the age of wheelers who were almost invariably referred to as "boys" but who included in their ranks a sprinkling of adults, often very influential, who had chosen to remain as wheelers rather than move on to mining. It appears that the great majority of wheelers were in the age group, 18 years to 21 years.

See returns of days worked in the Northern District in 1904 in the Dept. of Mines A.R. for 1904.

N.M.H. 31/10/1904.

Ibid 29/12/1904.

See p. 213 above.

John Brown to the N.M.H. 12/1/1905 and N.M.H. 5/1/1904 and 7/1/1905.

N.M.H. 19/1/1905.

Ibid.

N.M.H. 6/1/1905.

Ibid 26/10/1905.

N.M.H. 17/6/1905 and Hogue to John Brown 29/2/1904.

G. Durie to John Brown 21/3/1904.

"Daily Telegraph" 19/1/1905.

N.M.H. 28/6/1905.

N.M.H. 28/6/1905.

N.M.H. 28/6/1905.

N.M.H. 1/8/1905.

Ibid.

Ibid 25/8/1905.

N.M.H. 12/8/1905.
CHAPTER SIX

1. Department of Mines A.R.s for 1914 p. 36.

2. N. C. Butlin "Australian Domestic Product etc.," Table I Major Social Aggregates 1861-1938 and Figure 20.


4. Hogue to John Brown 29/9/1903. Hogue had visited Broken Hill to ascertain its requirements.


6. Though the increasing use of electricity would have been reducing the consumption of gas for home lighting purposes in particular the early electricity plants of N.S.W. and Victorian were powered by coal.

7. N.S.W. consumption fell from 2,914,000 tons in 1905 to 2,665,000 tons in 1906. 1907 home consumption was 2,914,000 tons. Department of Mines A.R. for 1914 p. 36, and the N.S.W. Statistical Register for 1906.

8. 2,715,000 tons were shipped to Australasian Ports in 1908, 2,201,000 tons in 1909 and 2,478,000 tons in 1910. Department of Mines A.R. for 1914 p. 36.

9. Coal shipments from Newcastle in the first nine months of 1909 were 839,000 tons less than in the corresponding period of 1908. The foreign trade had fallen by 586,000 tons and interstate shipments had been reduced by 253,000 tons as a result of the Broken Hill strike early in 1909. Victoria had taken 72,000 tons less and this reduction was attributed to the depressed state of the manufacturing industries there. (N.M.H. 7/10/1909).


12. Ibid.

13. See "The Mineral Industry During 1907." The San Francisco Port Authority asserts that it does not have the particulars of coal imports in 1907.

14. N.M.H. 15/10/1904.

15. Learmonth to Gregson 24/6/1905 (1/41).


18. Ibid 22/10/1905 (1/41).
19. Learmonth to Blake, a Director of the A. A. Company, 23/12/1905 and 14/1/1906 and Learmonth to Gregson 23/12/1905 (1/41).


23. Learmonth to Blake 29/1/1906 (1/41).

24. Ibid.

25. Learmonth to Blake 26/2/1906 (1/41).


27. Ibid.


30. Learmonth to Hall, of the A. A. Company 26/5/1906 (1/41).


33. Learmonth to Hall 23/6/1906 (1/41).

34. Learmonth to Hall 17/8/1906 (1/41).


36. The financial statement of the Associated Northern Collieries, 30/11/1906 includes compensation to the companies supplying coal to the South Australian Railways at a reduced price. (1/41).

37. Learmonth to Hall 26/9/1906 (1/41).

38. Learmonth to Hall 6/10/1906 (1/41).

39. Learmonth to Hall 8/10/1906 (1/41).

40. Learmonth to Hall 10/10/1906 (1/41) and H. H. 10/10/1906.
41. King and Attorney General and The Associated Northern Collieries and others (1911), 14 C.L.R. p. 458.

42. N.W.H. 10/10/1906.

43. Learmonth to Hall, 3rd or 8th November 1906 (1/41).

44. Learmonth to Blake 3/12/1906 (1/41).

45. The Vend Returns for 1908 and 1909 (27/13).

46. There is no evidence, in the records of the Defence Association, of its survival into 1912.


48. It was a high quality gas coal and enabled Browns to pursue the Melbourne Metropolitan Gas Company Tender, see p. 184, and the Sydney Gas Company contracts, see p. 169.


50. This cessation may have been the result of Browns' having been unable to tender for contracts in South America for 1910 because of the 1909-1910 strike. In times of strike rival suppliers sometimes used their position to force purchasers to take long term contracts and this practice could delay the recovery of the trade. Such an explanation does not account for the cessation of sundry ventures.

51. Learmonth to Hall 3/10/1907. (1/41).

52. Butterfield to Learmonth 15/7/1909. (1/48).


55. Butterfield to Learmonth before 26/3/1909 (1/48) and see E. Burley "The Overseas Trade" p. 396.
56. Based on a conversation with an officer of the N.S.W. Department of Agriculture and W. Butterfield, Secretary of the A.A. Company, to Learmonth before 16/4/1909 (1/48). See also the South Australian Statistical Register for the year 1918-19, for examples of fluctuating wheat harvests.


58. Hall to A. R. Court, the secretary of the A.N.C., 13/6/1909 (1/48).


60. Butterfield to Learmonth 1/10/1909 and 30/12/1909 (1/48).


63. Butterfield to Learmonth, received in Newcastle 7/6/1910 (1/48).

64. Ibid, 19/5/1910 (1/48).


68. Butterfield to Gregson 14/7/1911 (1/48).

69. A. Weir to Learmonth 15/9/1911 (1/48).


72. Minutes of N.C.P.D.A., 1913 (27/13).

73. Draft Agreement 1913 (1/63).

74. See D.T. 27/9/1907, S.M.H. 27/9/1907 and 4/10/1907 for replies by members of the Vend and Shipping Ring.

75. Learmonth to Hall, 3rd or 8th November 1906 (1/41).

76. Learmonth to Hall, 17/8/1906 (1/41) and S.M.H. 27/9/1907 and D.T. 27/9/1907 and S.M.H. or N.M.H. 29/9/1907. Scott Pael asserted that Hollwraith McEacharn had financial interest in Bellambi and North Bulli collieries.


79. Butterfield to Learmonth 15/7/1910 (1/40).

80. J. Brown to W. Brown 18/10/1907.


82. Ibid 10/9/1908.

83. The King and the Attorney General vs. the Associated Northern Collieries and others (1911), 14 C.L.R. p. 395.

84. Ibid p. 414 f.f.


88. Ibid p. 666.

89. The Adelaide Steamship Company Ltd. vs. The King and Attorney General (1912) C.L.R. 15.

The Full High Court held "that the agreement between the proprietors and the shipowners was not on its face made with intent to restrain trade or commerce to the detriment of the public or with intent to monopolize the inter-state trade in such coal to the like detriment."

and "also that an intention to cause detriment to the public should not be inferred from the mere fact that the powers conferred by the agreement could be used so as to cause such detriment."

and "further, on the evidence, that no actual detriment to the public was shown to have been caused by the exercise of the powers conferred by the agreement, and therefore, that no intent to cause such detriment could be inferred."


91. Ibid.

92. Ibid.


96. N.M.H. 5/7/1906 and 10/7/1906.

97. N.M.H. 26/7/1906 and 8/8/1906.

98. N.M.H. 5/7/1906 and the Resolutions of a Meeting of Colliery Proprietors, 27/6/1906. John Brown and three other proprietors were elected to form a committee which was to control the compensation fund of the Association. (27/13).

99. This Defence Association had a continuous existence in the period discussed here and it may be the same association which was regulating prices and directing industrial relations in the mid 1920's. (John Brown's letters to F. Croft, 1926).

100. Resolutions of a Meeting of Colliery Proprietors 27/6/1906. (27/13).


102. N.M.H. 2/7/1906.

103. The cost of living was rising generally in the period 1900-1914 but it was stationary in the years 1905-1907 inclusive. Price Index Series Commonwealth Year Book, No. 51, 1965.

104. A meeting of wheelers in Newcastle 4/1/1908, decided to join the Miners' Federation and a representative from each colliery was appointed to draw up a list of claims to be presented to the Royal Commission which was about to consider claims from the coal industry, (N.M.H. 6/1/1908).

105. R. A. Gollan "The Coalminers" p. 119.

106. N.M.H. 2/7/1906.


108. Ibid.


110. N.M.H. 5/9/1906.

111. N.M.H. 11/9/1906.

112. N.M.H. 13/9/1906.

113. N.M.H. 17/9/1906.

114. N.M.H. 21/9/1906.

116. Pelaw Main was stopped by a strike in January 1907 (N.M.H. 15/1/1907) and in September, 1907, 15 clippers from the same mine were prosecuted for a strike over the management's alleged failure to honour a promise to promote a clipper. 300 men had lost a shift as a result. (N.M.H. 5/9/1907).

117. S.M.H. 5/10/1907.

118. Learmonth to Huddra Parker and Company, 9/10/1907, 1/41.

119. N.M.H. 8/11/1907. This strike began on 12/11/1907 and work resumed on 25/11/1907 after a successful intervention by the N.S.W. Premier Wade which resulted in wage increased being granted by the proprietors.

120. N.M.H. 8/11/1907.

121. Financial Statement of H.R.C.P.J.A. 31/12/1907 (27/13).


123. N.M.H. 22/7/1908.

124. R. A. Gollan "The Coalminers" p. 121.


126. The Commonwealth Statistician's Price Index Series suggests that prices rose from 88 in 1901 to 114 in 1914 (base year 1911 = 100) Commonwealth Year Book No. 51 (1965).

127. John Brown's campaign against separate wages boards for the different sections of the coal industry won him the reputation of being the arch enemy of arbitration procedures: he was frequently blamed for the 1909 strike.

Mr. J. Estell, Minister for Labour and Industry, in the 1910 Labour Government in discussing the amendments made by the Wade Government to the Industrial Disputes Act in 1909, commented: "The plain fact was that Mr. John Brown was the person who was really to blame for the strike: if it had not been for him the whole matter would have been settled by the Special Court. The mine owners had done and were doing everything they could to kill the Industrial Disputes Act." (N.M.H. 10/12/1909).

Three days later W. C. Graham, Labour M.L.A. for Wickham, speaking in the house, referred to the proprietors' request to the miners to assist them to defeat the Industrial Disputes Act and attacked John Brown for his role in its defeat. N.S.W. Parliamentary Debates Session 1909 2nd Series Vol. 36, p. 4622.

By this time Brown had become the symbolic leader of the colliery proprietors though he was probably not dominant while Livingstone Learmonth was chairman of the Defence Association. Bowling informed a meeting of miners in November, 1909: "The man who came in the future to tell them that he was fighting politically for John Brown and Peter Bowling, would be told that he was a liar; for the workers would then be class conscious ..." (N.M.H. 25/11/1909).
128. H.R.C.P.A. Minutes 29/1/1908. (27/13).

129. N.M.H. 13/8/1908.

130. John to the Colliery Employees Federation reprinted in the N.M.H. of 15/8/1908. For Mitchell's reply see N.M.H. 18/8/1908.


132. N.M.H. 8/2/1909.

133. N.M.H. 2/7/1909.

134. N.M.H. 27/9/1909.


136. Ibid.

137. Learmonth to Hall 10/5/1909.


140. N.M.H. 11/10/1909.

141. For a detailed description of this strike see R. A. Gollan "The Coalminers" pages 127-135.

142. See R. A. Gollan for an account of the methods used by the government of G. C. Wade to beat the strike, pages 131-132.


144. Ibid.

145. See N.M.H. 26/11/1909 for the Railways Commissioners' refusal to haul the coal from the miners' mines, S.L.H. 27/11/1909 for the Government's re-interpretation of the Commissioners' position and D.P. 8/12/1909 for Learmonth's admission of friendship on 14/12/1910, the Labor Minister for mines tabled a return of coal purchased by the Government during the 1909-1910 strike. Coal purchased from the mines operated by the Miners' Federation, in conjunction with their owners, was bought at 10s. 4d. large and 5s. 4d. small per ton. For coal bought from other N.S.W. producers, the Government paid an average of 21s. 7s. per ton for large and 11s. 1ld. for small coal per ton. N.M.H. 14/12/1910.

147. S.L.H. 8/12/1909.

148. See footnote 119, this chapter.
149. By 1st February, 1910, almost three months after the start of the strike, foreign coal had begun to arrive in Australia: two steamers brought English coal to Melbourne for the gas companies and railways. 

\[ 
\text{H. M. H.} 1/2/1910 \text{ and } \text{S. L. H.} 1/2/1910. 
\]

150. Learmonth to Butterfield, Despatch No. 999, 13/11/1909. Make to Learmonth 20/12/1909 and Butterfield to Learmonth 30/12/1909. (1/48). In his despatch of 13/11/1909, Learmonth wrote: "The Proprietors as a body are more united now than they ever were, and the general feeling appears to be that the only way to settle our differences is a fight to a finish."

The Socialistic President has been for months past trying to organise and combine the coal workers of the South and West with those of the North, and this has been accomplished. He is now making a great effort to call out the men from the other two districts, and also all the waterside workers in Sydney and Newcastle." (to Butterfield 13/11/1909, 1/48).


155. The amount of litigation in which Brown was involved is astonishing. Shipping cases were common and in the period 1901 to 1914 there were frequent cases before the Industrial courts as well as the complicated and protracted legal struggle between the members of the family. R. E. Hogue was sometimes simultaneously conducting as many as five cases.

156. Defence Association Minutes 15/7/1910. (27/13).


159. Ibid 14/1/1914. (27/13).


161. H.C.P.D.A. Minutes 5/6/1914. Adrian Knox, (1863-1932), Chief Justice of the High Court of Australia, 1919-1930, who was also known to John Brown because of their common interest in horse racing was to be one of the two chief beneficiaries in John's will.

162. H.L.H. 24/12/1914. There had been similar actions in England but none in Australia. The action appears to have been discontinued after Pelaw Main resumed work in March, 1914 after a settlement had been reached giving the miners an increased wage for working the afternoon shift. (H.L.H. 10/3/1914 and 16/3/1914).
163. Richmond Main, equipped in the most modern and substantial manner at great cost, was to be with Pelswa Main, the great pride of John Brown. In 1915 he informed his Kimmi miners: "I have two of the finest collieries in the world; I have equipped them and no other collieries in the world are equipped, and the men who are fighting me are fighting the two best collieries in the world with John Brown at their head. M.M.H. 22/3/1915.

164. In a speech to his Kimmi miners in 1914 John Brown claimed that Pelswa Main could not produce more than half the demand for its coal. M.M.H. 1914 (cutting, no precise date).

165. Three volumes are primarily concerned with output, relations with the miners and the purchase of stores.

166. Durie to J. & A. Brown 20/5/1907 and 10/6/1907.

167. Durie to J. & A. Brown 11/2/1907 and 18/2/1907.


170. M.M.H. 30/7/1910.

171. M.M.H. 30/7/1910.


173. Ibid.


175. Ibid.

176. Ibid.

177. 1929 Royal Commission Appendix No. 18 (o).


179. No reference by John Brown to the question of the safety of his employees has been found except for the comment on page 271 below.

180. Based on accident reports included in the Annual Reports of the N.S.W. Department of Mines 1894-1915.

181. Ibid.

182. Ibid.

183. Ibid.

184. Ibid.
185. N.M.H. 16/3/1911.


188. Ibid

189. Report of the Royal Commission into the best methods of working the thick coal seams of the Maitland-Cessnock District, etc. 1911, pages 13 and 35-40.

190. Ibid p. 32.


192. Ibid p. 32.

193. Ibid p. 32.

194. Ibid p. 34.

195. Disputes between John and his brothers seem to have been perennial. In 1901 John cabled from London, after hearing that Stephen Brown had commenced legal proceedings to have the firm's assets valued, that unless Stephen discontinued the action "we will close all works, offices 31st July. You may allow £600 (salary for Stephen)."

He also directed that Stephen could be allowed a suitable occupation and that he could be given access to the firm's books. Stephen accepted these terms. (Cables John Brown to J. & A. Brown 1/5/1901 and the reply, 17/5/1901.

196. Statement of claim filed in the Supreme Court on 22/2/1907, Case No. 2365.


200. Ibid 19/12/1908.

201. John Brown to Solomon Brown 21/1/1909. The Supreme Court decision was not entirely favourable to William so John Brown was appointed the receiver. N.S.W. Weekly Notes Vol. XIX, 1909, Law Book Company of Australasia, Sydney 1909.


204. John to William Brown 20/10/1908.

205. Notes written by an ex-employee of Browns who worked in the Newcastle office at this time (in possession of writer).


207. John Brown to Hogue 24/12/1908.

208. Hogue to John Brown, undated fragment.

209. Ibid 27/1/1900.


211. Ibid, undated fragment, probably late 1903 or early 1904.


213. N.M.H. 19/1/1905.

214. Probate Documents in the possession of Mr. E. Armstrong.
THE HUNTER RIVER: FROM NEWCASTLE TO MAITLAND

LEGEND:
1. J. & A. Brown's Minmi Railway
2. The Great Northern Railway, completed 1856.
J. & A. Brown - The Family Background

Alexander and Mary Brown
(1780-1851) (1780-1853)

James M Elizabeth Foyle William M John Alexander
(1816-1894) (1828-1915) (1820-1859) (1826-1847) (1827-1877)

Alexander
(1851-1926)

Mary John Alexander James William Stephen
## Appendix III

### Comparative Costs and Freight

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<th>Year</th>
<th>Margin between New South Wales and United Kingdom</th>
<th>Apparent landed cost in Singapore as % of N.S.W. freight</th>
<th>Freights to Singapore as % of N.S.W. freight</th>
<th>Apparent landed cost in Singapore as % of apparent landed cost in N.S.W.</th>
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<td>Raising costs</td>
<td>Margin between pit-head values &amp; f.o.b. price as % of N.S.W. margin</td>
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### APPENDIX III B

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*No official declaration of the selling price has been made since 1890, and present prices are on a very much lower basis.*

**Note.**—The selling prices quoted above and the marginal notes refer to the Northern Coalfield only. The borrowing rates refer to the Newcastle round coal basis. The machine rates for the landing of coal vary. They apply chiefly to Callander on the South Wighton and Great Tides. A charge of 3½ per ton without rates has been imposed by the Government since 1st February, 1921. A charge of 6d. per ton for crane-hoisting was added by the Railway Department on 1st September, 1921, and this was increased to 6d. per ton on 1st November, 1923. These charges are in addition to the selling price.

If "Newcastle Selling Price" is based on the declared selling price of coal, it is seriously inaccurate: if it is based on the actual selling prices it is not representative of all prices and cannot be an average. The declared selling price was 8/- per ton during 1900 and Brown's sold most of their coal on this basis. The Chamber of Commerce Report gives 8/-, 10/- and 12/- for 1900 and Burley quotes 11/- per ton. Note, too, that Burley ignores the "also sold" limitations in the seventh column and does not take into account the difference between Borehole and Greta Seam coal. See "Note" at the bottom of the page.

*Pit" stopped 3 to 3½ weeks during 1922-23 to 3½ to 6 weeks, due to wage reduction.*

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Table from the 1937-38 Report of the Newcastle Chamber of Commerce.
Output per underground worker at Browns and all Northern collieries, 1876-1903.

Source: N.S.W. Dept of Mines Annual Reports, 1876-1903.
A Plan of Collieries at Work and Opening out in the Newcastle District 1897

From the copy in the Newcastle Public Library.
APPENDIX VI

Alexander Brown and Tasmanian Coal

In 1861, with the Minmi mine coming into full production, Alexander Brown turned his attention to the coal deposits in the Fingal-Avoca area of Tasmania. With G. H. Larnach he toured the area, burnt some pieces of surface coal, pronounced their excellence to the gratification of the locals, and made a proposal to the Tasmanian Government for the right to exploit the coal.

The nature of the proposal is clearly revealed by the report on it prepared by the Tasmanian Director of Public Works in August, 1861:

ON Enclosure of Messrs. Brown & Larnack (Coal Fields.)

The terms submitted for the consideration of the Government appear, as respects the advantages to be derived therefrom, to be altogether on the side of the gentleman making them.

1. The Government are required to give the exclusive right to Messrs. Brown & Larnack to open and work all Coal Seams within the District of Avoca and Fingal, for a term of 99 years, and to grant an Acre of Land on the Tamar at Launceston, having a suitable river frontage, for Coal Yards.

2. The Government are called upon to construct, within a period of two years, a Railroad from the Coal Yards on the Tamar, to such point in the vicinity of Avoca as may be selected by the applicants; and to supply Locomotive Engines sufficient to draw 100,000 tons of Coal annually; and to take such further quantity as may be required at 2d. per ton per mile, with restrictions against becoming Carriers for any other parties under 6d. per ton per mile.

The foregoing most liberal gifts and concessions are asked for, without any reservation either at to royalty or rent, without any offer of guarantee of a certain quantity of Coal being raised annually, or, failing so to do, of the payment of a specific rent.

The applicants not only require a Railroad to be completed within two years, with Locomotives capable of conveying to market 100,000 tons of Coals annually, but they so require the same to be conveyed free of charge; thereby entailing on the Government the cost of construction and maintenance, no matter how great the outlay may be, and, in return, they merely propose to pay £5 per cent, on an assumed outlay, limited to £200,000; and the security offered is a personal one to the extent of £20,000, such personal security, as regards its intrinsic worth and value, remaining unascertained.

If, therefore, the Railway and Plant cost in its construction £600,000, the liability of the applicants would only be to the extent aforementioned.
and contingent as to its worth, on a personal security at present undefined.

The Railroad proposed (by the terms of the letter in question) to be constructed, would be about from 60 to 60 miles, through a country much more difficult than from Launceston to Deloraine (which is computed at 40 miles), and estimated to cost from £300,000 to £400,000.

If the Government deem it desirable to entertain proposals for alienating or renting the valuable Coal fields on its Crown Lands, or for constructing Railways in order to bring the produce of such mines to market, I think it is much more desirable to call the attention of capitalists to their extent and richness, than to consider offers of so unreasonable a character as that submitted by Messrs. Brown & Larmack.

W. R. FALCONER, Director of Public Works.

3rd September, 1861

It is difficult to accept that Brown and Larmack, his partner in an earlier trading venture (see above page 16) really believed that their offer would be accepted. It could have been, as was suggested by a Tasmanian newspaper, that the two New South Walesmen were planning to initiate proceedings with the intention of forming a company which could take over the enterprise with profit for its undertakers.

Newcastle Harbour, 1873, the engraving used by Alexander Brown in his efforts to publicize the Port of Newcastle while in England in 1875. (From the Illustrated Sydney News and N.S.W. Agriculturist, 27/9/1873, Mitchell Library.)
John Brown, about 1905.
BIBLIOGRAPHY

The records of J. & A. Brown were destroyed after the death of John Brown and an extensive search of the mine buildings at Mimi, Richmond Main and Pears Main and at the Newcastle and Sydney offices of J. & A. Brown (now Coal and Allied Sales) yielded only the following:

I. LETTERS

R. B. Hogue to John Brown and William Brown 1898-1904. (Sparks & Hulm, Solicitors, Newcastle.)

John Brown to F. Croft 1922-1926.

II. LEGAL PAPERS

A collection of papers and letters relating to law suits between John and William Brown between 1905 and 1911. (Sparks & Hulm.)

III. BUSINESS RECORDS

The Wages Book of the Peak Creek Colliery 1897-1904. (Coal & Allied Sales, Newcastle.)

The Letters of the Manager of the Mimi Collieries to J. & A. Brown 1906-1907. (Coal & Allied Sales.)

The Telegraphic Code of J. & A. Brown. (Coal & Allied Sales.)

NEWSPAPERS

The paucity of Brown's own records necessitated a close reading of the newspapers of the Newcastle District. Of particular value were:

"The Maitland Mercury" 1842-1865.


"The Newcastle Chronicle and Hunter District News" 1861-1876.

"The Miners' Advocate and Northumberland Recorder" 1874-1876.

"The Newcastle Morning Herald" 1876-1915.

More selective use was also made of:

"The Sydney Morning Herald" 1845-1914.

"The Daily Telegraph" 1903-1914.

"The Cessnock Eagle" 1940.
THE RECORDS OF OTHER COLLIERY PROPRIETORS

The Archives of the University of Sydney and the Australian National University provided the invaluable records of three of J. & A. Brown's rivals.

I. The Australian Agricultural Company Collection 1840-1914.

II. The Records of the Newcastle Coal Mining Company 1877-1914.

III. The Records of the Scottish Australian Company 1861-1914.

OFFICIAL PUBLICATIONS

The reports of the various Royal Commissions of Inquiry and Select Committees of Inquiry and the reports of the Department of Mines made it possible to reconstruct the statistical background of this history and were valuable for other aspects of the work too. Parliamentary Debates were found to be of little assistance and were not used to the same extent.

1847 Minutes of Evidence taken before the Select Committee on Coal Inquiry, 1847. Government Printer, Sydney, 1847.


The Publications of the N.S.W. Government Departments


The Department of Railways and Tramways Annual Reports for 1898. Government Printer, Sydney, 1899.


Other Government Publications


The N.S.W. Statistical Registers 1857-1914. (Passim).

The N.S.W. Government Gazette 1842-1914. (Passim).


Bank Records

The gaps caused by the loss of Brown's financial records for the period before 1892 was partially remedied by the discovery of the following in bank archives:


Half Yearly Balances of the Newcastle Branch of the Union Bank 1879-1885 A.N.Z. Bank, Hunter Street, Newcastle.

The Bank of N.S.W. Minute Books Nos. 8 and 9 and Correspondence. Bank of N.S.W. Archives, Sydney.


Union Records

The records of the Northern coal mining unions appear to have been almost completely destroyed but the newspapers provide a tremendous mass of information about them. However the absence of any of the personal papers of the leaders of the miners poses a great problem for the historian. The only union record for this period appears to be:

The Minute Book of the Coal Miners' Mutual Protective Association of the Hunter River District 1874 to 1894. (In the possession of the Miners' Federation, Sydney.)


**THESIS**


"The Miners of Southern New South Wales, A History of the Union to 1896."

"The part played by the Scottish Australian Company in the Development of the Newcastle Coalfield."

A. Hutchinson, B.A. thesis submitted to the University of Sydney, (Department of Geography), 1958.

"The Sorehole Seam, a particular study of coal formation and utilisation in New South Wales."

D. Drenagan, Ph.D. thesis submitted to the University of Sydney, (Department of Geology), 1962.

**SECONDARY SOURCES**

"Investment in Australian Economic Development 1861-1900"


"Australian Domestic Product, Investment and Foreign Borrowing 1861-1939/92"


"The Economic Development of Australia"


"Labour and Industry in Australia from the First Settlement in 1788 to the Establishment of the Commonwealth in 1901."

T. A. Coghlan, Oxford University Press, 1918.

"The Wealth and Progress of New South Wales 1900-1901"

T. A. Coghlan, Government Printer, Sydney, 1902.

"Monopoly and Competition in the English Coal Trade"


"The South Wales Coal Industry, 1841-1875"


"A Study in Social Economics, The Hunter River Valley"

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"The Australian Coal Industry"
A. G. L. Shaw & G. R. Evans,
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"The Australian Agricultural Company 1824-1875"
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"Radical and Working Class Politics, A Study of Eastern Australia"
R. A. Gollan,
Melbourne University Press,
1960.

"The Australian Iron & Steel Industry 1848-1962"
E. Hughes,
Melbourne University Press,
1964.

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