

# SPECIAL REPORT

ON THE

## Australian Agricultural Company's Collieries

AT

### NEWCASTLE,

Issued to the Proprietors, previous to the Half-Yearly Meeting to be held at the London Tavern, Bishopsgate Street, on Wednesday, the 8th day of August next, at One o'Clock precisely, as per Advertisement.

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20th JULY, 1855.



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GENTLEMEN,

In the Report submitted to the Proprietors at their Annual General Court held in January last, the following statements were made by the Directors, in connexion with the Company's Collieries at Newcastle:—

“ It is to the further development of the Newcastle  
 “ Colliery, and to the Sales of Land, that the Pro-  
 “ prietors will have to look, to counterbalance the  
 “ deficiency in their revenue, that will arise from the  
 “ severance of the Peel River District. The develop-  
 “ ment of the Newcastle Colliery will be attended with  
 “ a considerable expenditure, in the sinking of fresh  
 “ Pits, in the erection of Engines to work the same,  
 “ together with an extension of the Railways leading  
 “ to and from the several Pits and to the Shipping  
 “ Stages at Port Hunter. It is very probable also that  
 “ your Directors may see it desirable, in point of  
 “ economy, to adopt the use of Locomotives upon their

“Railways, instead of the present system of Horse  
 “Traction ; but this and the other arrangements con-  
 “nected with the Colliery extensions, are dependent  
 “in a great measure on the receipt of Reports that  
 “have been called for upon the several points under  
 “consideration.”

MR. ODERNHEIMER.

“This gentleman left England in August, 1853, per  
 “Vimeira, and arrived at Sydney on 17th November,  
 “1853. Up to date of the last advices, he was still en-  
 “gaged with his examinations on account of the Peel  
 “River Land and Mineral Company ; on the completion  
 “of which, he was to proceed with a Geological Survey  
 “of the Coal Fields and other property of the Austra-  
 “lian Agricultural Company : on the receipt of this and  
 “other Reports that have been called for, your Direc-  
 “tors will determine on the most desirable course to  
 “be adopted for placing the Newcastle Colliery in the  
 “most efficient working order ; in the meantime they  
 “consider it most politic to proceed with such appli-  
 “ances as are now at command on the spot, and  
 “with the exception of sending out some rails for  
 “the underground and surface operations, they have  
 “abstained from incurring any serious outlay.”

The desire of the Directors in framing the fore-  
 going paragraphs of their Report, was to explain the  
 exact position of the affairs of the Company, in  
 reference to the probable expenditure that would  
 be required to open out the extensive Coal-fields



at Newcastle, so as to place the Collieries in a state of efficiency to enable them to meet the increased demand for coal, and to compete in quantity and price with the produce of other Collieries in the neighbourhood, that has, within the last few years, been brought into the market.

The main objects to be kept in view in the working of a Colliery, are facilities for raising and shipping, with despatch, large quantities of coal, and this at a low cost of production.

It is impossible to attain these results, even in this country, without a very considerable outlay in the sinking of pits and in the erection of the necessary machinery and engines, both for raising the coal and conveying it to the place of shipment.

The appliances of modern days, so indispensable for controlling the cost of production by the substitution of machinery for manual labour, are doubly needed in Australia, where not only is labour less abundant and wages are consequently higher, but where, from the excitement amongst the labouring population naturally arising from the temptation to leave their ordinary occupations to try their fortune at the gold diggings, it has been almost impossible to keep the Colliers under control; for, as is invariably the case with this class of labour, the more money they earn, the less work is performed and the less coal is raised. For instance, during the past year, the wages received by many of the men working at the Company's Collieries, amounted to

19s., 22s., and 24s. per day, and with some of the more industrious even to 30s., whilst the get of coal was decreased instead of being increased by the high rates of wages paid to the men. This state of things lasted until your General Superintendent, Captain Brownrigg, succeeded in increasing the output of coal by the importation of fresh labour from Melbourne and by the adoption of a stint on a sliding scale, (advancing the price of getting in proportion to the quantity of coal raised), although he was not equally successful by these measures in carrying out his contemplated reduction in wages, owing to the call for labour in the neighbourhood of Newcastle, consequent upon the commencement of the works connected with the Hunter River Railway.

With the view of enabling the Proprietors to form a correct judgment of the past working of their Collieries at Newcastle, the Directors have drawn up the following revised Comparative Statement of the Company's operations for the last six years.

## COLLIERY.

The following Comparative Statement will afford considerable information as to the results of the Company's operations at their Newcastle Colliery for the last six years.—

Year.	Raised.	Average per Month.	Sold.	Average Price at Pit's Mouth per Ton.	Sale of Coals.	Expenses.	Net Revenue	Average Expenses per Ton.	Average Net Revenue per Ton.	Consumed by Engine and Forge.	Stock on Bank at end of Year.
	Tons.	Tons.	Tons.	s. d.	£	£	£	s. d.	s. d.	Tons.	Tons.
1848	35,912	2,993	34,381	7 0	11,737	7,861	3,876	4 6	2 3	1,512	1,423
1849	34,069	2,839	33,390	6 6	10,543	7,304	3,239	4 4	1 11	1,613	489
1850	46,581	3,882	45,084	6 6	14,616	10,253	4,363	4 6	1 11	1,606	381
1851	57,637	4,803	45,642	9 0	17,894	12,343	5,551	5 4	2 5	1,596	10,780
1852	31,349	2,612	40,354	10 7	21,395	13,399	7,996	6 7	3 11	1,629	147
1853	45,623	3,802	43,518	16 8	36,315	27,347	8,968	12 9	4 1	1,595	657



The foregoing Statement, in conjunction with the Plans Nos. 1 and 2 annexed to this Report, has been prepared with the desire to enable the Proprietors the better to understand the extent and importance of their Colliery property at Newcastle, and the value of their interests in the neighbourhood; and to these Plans the attention of the Proprietors is now particularly requested in connexion with the following remarks:—

The Plan No. 1 exhibits, on a small scale, the position of Port Hunter, the Town of Newcastle, the Australian Agricultural Company's two properties, the course of the River Hunter as far as the Town of Maitland, and a large proportion of the allotted lands in the neighbourhood.

The Plan No. 2, on a larger scale, shews,—

1st. The localities of the Company's two properties of 2,000 acres each, the one bordering upon the Town of Newcastle and the Harbour of Port Hunter, and the other, called Platt's Land, lying to the westward, but having a Water-frontage of nearly three miles on the south arm of the Hunter River.

2nd. The lines of the Turnpike-road and of the Hunter River Railway, now in course of construction, with the principal Terminus abutting upon the Harbour of Port Hunter and adjoining to this Company's Water-frontage and Wharf-property. The Turnpike-road and Railway here referred to, both lead from the City of Newcastle and Harbour of Port Hunter to Maitland.



3rd. The depth of water at the entrance to Port Hunter and off the Company's Wharves, both at Newcastle and Platt's Land.

4th. The position of the several Coal Pits on the Company's Newcastle property, and the lines of Railway leading therefrom to the Company's Shipping Staiths at the Harbour of Newcastle.

It will be observed that two pits, D and E, are laid down on the western boundary of the Company's Newcastle property; these have been comparatively recently opened, and are not even now complete. The seams of coal worked by the Company are manifestly those of the upper series of measures, the plant to be created at these pits will be permanent, together with the lines of railway communicating with them, for a great number of years; for as soon as the upper seams have been exhausted, these pits will be sunk to the lower measures. In addition to the D and E pits, another at F is now in course of being sunk, but it will be a question hereafter whether this will be kept on, other than as a reserved pit, should the operations at the D and E pits be carried out to the extent at present contemplated.

The line of Railway communicating between the D and E pits and the Company's Shipping Staiths at the Harbour of Newcastle, is about two and a quarter miles in length, of the ordinary English narrow gauge, 4 ft. 8½ in., and laid with 42 lbs. per yard rails; the embankments are reported by

Captain Brownrigg to have been lately widened, and the bridges strengthened, preparatory to the adoption of locomotive traction.

5th. The Company's property called Platt's Land, consists of 2,000 acres, and is traversed from east to west by the Turnpike-road and the Hunter River Railway, passing from Newcastle to Maitland.

This property is bounded on the north by the south arm or branch of the Hunter River, at the north eastern point is a Wharf, with ten feet at low water; and a considerable portion of the Water-frontage, running for a distance of nearly three miles, might be made available for Barges and Colliers of a light draft of water, like our English Billiboys. It is a question which may be borne in mind to be followed up in after years, whether the whole of that portion of the south arm of the River Hunter, which, opposite the north eastern portion of Platt's Land, is divided by an island, might not be formed into a Floating Dock (an enterprise which would be of immense importance to the trade of Newcastle), in which case it would be difficult to estimate the value of this Water-frontage. Independent, however, of this Water-frontage, the mineral worth of the property has to be borne in mind; for there cannot be a question but that the coal measures of the Newcastle Basin extend under the whole area, and when opened to, the produce could be most conveniently shipped from such a line of Water-frontage. The value of this property

is also much enhanced, from being intersected by the Turnpike and Rail roads previously adverted to.

At the close of this Report will be found an extract from the *Maitland Mercury*, giving some details connected with the Hunter River Railway, which, as they refer directly to the Company's properties, may be interesting to the Proprietors.

The Directors, having given this sketch of the position of the Company's mineral properties at Newcastle, will now proceed to detail the measures they propose to take with a view gradually to develop the same. They had hoped that previously to this Half-yearly Meeting, a Report they had directed Captain Brownrigg to have prepared on the state of the Company's Collieries, would have been in their hands; but this having failed to arrive, the Directors have availed themselves of the information they have been collecting for some time past, and upon which their instructions to Captain Brownrigg have been founded, to bring the subject of their Colliery operations before the Proprietors.

The first step taken by the Directors has been to engage the services of Mr. Wood, a gentleman who has been occupied for many years in the management of Iron Works and Collieries in this country, and possesses the additional qualification of being an experienced Engineer, and of having passed some time in Australia, from whence he has lately returned.

The Directors consider that the varied experience



of Mr. Wood will not only be of great advantage to the Company in the Colony, where it appears to be necessary to create nearly a new Colliery Plant, and to re-model the whole of the arrangements connected with the Railroads, but his services at the present moment in England are very essential, in preparing the specifications and in assisting to procure the requisite Machinery of the most efficient construction, for purposes connected with your Colliery and Railroads, as are hereinafter explained.

In consequence of instructions from the Board, Mr. Plews, a Colliery Viewer, sent out to the Colony by other parties, has been temporarily engaged to view and report upon the Newcastle Coal-field generally, and the Company's Collieries in particular, both as to the system of working to be carried out, and as to the advantages to be derived from the adoption of locomotive instead of horse traction. Captain Brownrigg has sent home a partial report of some of Mr. Plews's operations, and an Indent for Machinery and Stores, which pretty clearly exhibit Mr. Plews's ideas as to the plans he will recommend to be adopted; this Indent includes two Locomotives and two Pumping and Winding Engines,—the two former will be indispensable, but with the arrangements that will hereafter be detailed, the Directors consider One Winding and Pumping Engine will be sufficient for the present.

Captain Brownrigg reports that the traction of coal from the pits to the staiths is not effected under



a cost of £5,000 per annum, and that 24 horses are kept for this purpose ; in 1853, about 45,000 tons of coal were raised ; therefore, from these data, it would appear that the expense of each horse was £4 per week, and the cost on the haulage of coal 2s. 2½d., per ton. The adoption, therefore, of locomotive traction will necessarily effect a considerable saving in the charges, even on the present get of only 45,000 tons of coal, but when the get is increased, the comparative economy would be much greater, as the same engines required to move 45,000 tons of coal per annum, would equally move 200,000 tons, the general charges and daily expenses being the same, whether the larger or smaller quantity of coal is moved.

In respect to the Indent for two Pumping and Winding Engines, the Directors consider that one will be sufficient, at any rate in the first instance, as they have no doubt that some of the present engines may, by the assistance of repairs to be effected in the Fitting-shop and Foundry, which it will be necessary and is purposed to establish, be put in an efficient state of repair to meet any present requirements, until such time as Mr. Wood is enabled to see his way clearly as to the best arrangements hereafter to be carried out.

The present appliances in the Fitting-shop, at Newcastle, although they may have been sufficient for the previous requirements of the Collieries, are certainly not capable of executing the work that will

hereafter be thrown upon the Fitting Department ; and for the want of a Foundry, Castings have been obtained from Sydney, at a great expense. This appears from a despatch, in which Captain Brownrigg has stated, in reply to certain suggestions made by the Directors, as to the employment of Steam Colliers, that he objected to their use, not being in a position to repair the machinery in case of damage occurring ; if, therefore, the comparatively simple parts of a Marine Engine could not be repaired at Newcastle, much less could the more delicate details of a Locomotive be set in order.

Under these circumstances, the Directors are convinced that the economic policy of the Company will be, with the engine and locomotives required for the Colliery, to send out such lathes, tools, and other appliances, as are necessary for effecting their repairs ; a proper Fitting-shop and Foundry once established, there is no reason why these, under the management of the experienced gentleman who is going out to take the charge of the Colliery and Engineering Department, should not be made to cover the greater part, if not the whole, of the attendant expenses, by undertaking smiths', fitters', and foundry work, for the public generally.

The Directors are of opinion that in a comparatively short time after the two new pits, D and E, on the western extremity of the Newcastle property, are properly fitted with the necessary apparatus for quick winding ; the main gate roads carried out to a

sufficient distance from the pits ; and proper faces of work opened out in the coal ; that the present get may be quadrupled from these two pits, and despatch given to whatever vessels may arrive, instead of many being detained for weeks and weeks, as has been the case during the past year.

The completion of these arrangements will effect a considerable reduction in the cost of the coal by increasing the quantity raised and contracting the number of pits, or in other words, by reducing the general charges, and throwing the balance of such charges over the larger quantity produced.

The Directors, under a deep conviction of the growing importance of the Colliery branch of their operations, in 1853, renewed the lease of the Wharf at Miller's Point, near to the entrance of the Harbour at Sydney, a situation in every way eligible for the purpose of keeping a large stock of coal, more particularly for supplying the Ocean and other Steamers, as well as the trade generally. This Wharf has a Water-frontage of 210 feet, and an area of about 26,600 square feet, rather more than half an acre, and has been placed under the charge of a trusty and intelligent Agent. The sales of coal have been commenced, shewing an average of 830 tons per month, and at a fair advance over the Newcastle rates to cover the freight, charges, and an extra profit.

Some outlay will, however, be required to run out a Pier into deeper water, to enable vessels of



larger burthen to load or discharge coal alongside ; suggestions on this subject have been thrown out to Captain Brownrigg, and the Directors await his consideration of them and his answer.

The Directors have had under consideration, and have communicated to Captain Brownrigg, their opinion of the policy of employing Steam Colliers, with Water-ballast, and a Whip, worked by the engine, for discharging their cargoes. In short, the Directors are alive to every plan whereby the cost of working the Collieries can be lessened and the profits of the coal trade increased.

The Proprietors will recollect, for it has frequently been the subject of remark, that the working Capital of the Company is very insufficient, and already a very considerable abstraction from it has taken place, through the expenditure that has occurred in the Colony in partially sinking the New Pits, D, E, and F, and in the formation of the requisite Railway approaches : the outlay upon rails for the Colliery during the past three years has amounted to upwards of £3,000 ; and the cost of the Machinery and Engines now required will, it is roughly estimated, amount to £18,000 at the least ; but it is impossible, until the tenders are received and the contracts actually made, very closely to ascertain the amount.

In addition to the amount required to cover the abstraction of working capital, and to meet the purchase of the necessary machinery previously



alluded to, a further sum will also be required for the transmission of the same to the Colony and its erection there: under these circumstances the Directors feel that it will be requisite to make a Call of 30s. per Share upon the Proprietors, respecting which they will have due notice in the course of the ensuing month.

It will be seen from the following extract of a Despatch lately received from Captain Brownrigg, that the Coal now raising at the Company's Collieries appears to be of a superior quality; and stands in high estimation in some of the markets to which it is conveyed.

“Several vessels have already arrived from California to load with the Company's Coal, and others from the same quarter may shortly be expected. The last advices from San Francisco report Coals selling at 40\$ the Ton; and by letters from some of the commercial houses in that City, (the perusal of which was allowed me,) I am glad to be able to report that the Company's Coals are considered to be worth 4\$ per Ton more than any other Coal from New South Wales.”

## THE RAILWAY FROM NEWCASTLE TO MAITLAND.

*Extract from the Maitland Mercury.*

“ It will, doubtless, be matter of considerable  
 “ interest to our readers to learn the progress that  
 “ the Hunter River Railway Company are making  
 “ in the important enterprise in which they are  
 “ engaged: and we are glad to be enabled to lay  
 “ before them some information on this subject.

“ The Hunter River Railway Company was incor-  
 “ porated by Act of Council in October last (1853),  
 “ and in the following month the first Directors were  
 “ elected. In the Board were included two gentlemen  
 “ who had taken an active share in the direction of  
 “ the Sydney Railway Company, and the practical  
 “ knowledge and experience they had thus acquired,  
 “ were made available in expediting the preliminary  
 “ arrangements necessary to the formation of the  
 “ Railway between Newcastle and Maitland.

“ A correspondence was immediately opened with  
 “ the Government, asking their aid towards pro-  
 “ curing a supply of labour; and the Government  
 “ assented to the Company introducing five hundred  
 “ labourers from the mother-country. Instructions  
 “ were accordingly forwarded to Messrs. Flower  
 “ and Co., the Agents for the Company in England,  
 “ to engage the requisite number of men, and to  
 “ forward them out as early as practicable. Some  
 “ difficulty occurred on account of the provisions of

“ the Assisted Immigrants’ Act ; but as the Com-  
 “ pany’s Agents had a very wide scope allowed them  
 “ as to wages, they were in hopes that the first  
 “ draft of the men would be ready to leave England  
 “ about the end of May or beginning of June. The  
 “ Emigration Commissioners had decided on adver-  
 “ tising for ships to proceed direct to Newcastle, so  
 “ soon as Messrs. Flower and Co. were ready with a  
 “ portion of the railway labourers ; and as these men  
 “ were to be sent out in drafts of about a hundred,  
 “ it was contemplated to fill up the ships with other  
 “ immigrants, who will be available for the general  
 “ labour market of the district, and whose accession  
 “ will be most valuable and welcome at the approach-  
 “ ing busy season. The Commissioners entertained  
 “ some objections to this plan ; but it was hoped that  
 “ these objections would be overcome, and that the  
 “ views of the Company and their Agents would be  
 “ carried out.

“ The survey of the line was another subject which  
 “ received the immediate attention of the Directors.  
 “ *Mr. Wallace, the Engineer of the Sydney Railway,*  
 “ was appointed consulting Engineer to the Com-  
 “ pany ; and Mr. Hingham was engaged to survey  
 “ the line. The survey has been completed ; and  
 “ the plans, showing the line of railway, have now  
 “ been for some weeks on view in the Police Offices  
 “ of Maitland and Newcastle, and the notices re-  
 “ quired by law have been served on the parties  
 “ interested. In reference to these plans we may



“ observe, that we have heard complaints made that  
 “ the exact direction of the line is not sufficiently  
 “ indicated, by the filling in of the names of streets,  
 “ &c., to enable owners of property to readily and  
 “ clearly ascertain how their lands will be affected  
 “ by the railway.

“ The Directors, who had been acting in a similar  
 “ capacity for the Sydney Railway Company, had  
 “ become aware of the difficulty, indeed impossibility,  
 “ of procuring in the colony the tools, materials, and  
 “ machinery known as ‘plant.’ The Board therefore  
 “ at once decided on ordering these from home ;  
 “ and having procured from Mr. Wallace a list of  
 “ the requisite articles, including a thousand tons of  
 “ rails, an order was despatched to England in  
 “ December last ; and, by the last mail, advices  
 “ have been received that portions of the articles  
 “ sent for would be ready for shipment by the end  
 “ of May or beginning of June ; and would probably  
 “ be sent in the vessel conveying the first draft of  
 “ the labourers engaged for the construction of the  
 “ railway.

“ It is intended to commence operations in about  
 “ a month, by the erection of huts for the occupation  
 “ of the men when they arrive, and also by putting  
 “ up part of the *buildings at the Newcastle terminus*,  
 “ which is to be immediately to the *westward of the*  
 “ *Australian Agricultural Company’s wharf*, on some  
 “ land purchased some years since for the endow-  
 “ ment of a college in connexion with the Church of



“ England. The work is on the whole stated to be  
 “ very light, a large portion of the line being a dead  
 “ level, and for several miles requiring only a very  
 “ slight embankment to place it above flood level.  
 “ The heaviest work is about five miles from New-  
 “ castle, where a sandstone ridge has to be cut  
 “ through; and it is here that operations will be  
 “ commenced so soon as the men arrive. The Board  
 “ and Engineer are very sanguine as to the early  
 “ completion of the line; and if assistance be ex-  
 “ tended to this Company similar to that which has  
 “ been given to the Sydney Railway Company, the  
 “ Engineer hopes that in about *two years* from the  
 “ commencement of actual operations the line will  
 “ be completed.

“ From the foregoing summary, it will be seen  
 “ that so far, the Directors have pushed forward in  
 “ their operations with decision and energy, and ap-  
 “ parently with equal judgment. We are not at pre-  
 “ sent aware what the probable cost of the line is  
 “ estimated at; but we venture to express a hope  
 “ that the Directors will make it their leading object  
 “ to construct the line at the least possible cost con-  
 “ sistent with the sufficiency and security of the  
 “ railway. Nothing will so much tend to promote  
 “ the extension of railways throughout the colony,  
 “ as a practical proof that they can be constructed  
 “ at a cost which will admit of a fair return on the  
 “ capital invested; and nothing can more retard that  
 “ extension—so desirable on every ground—than the

“ failure of the first line or two to achieve that essential condition.

“ We also trust that the owners of property on the line through which the railway is to pass, will at least deal with the Company in a reasonable spirit : we would fain hope in a liberal and generous one. The undertaking, besides being one of great public importance, *is sure to be highly conducive to the interests of all who have property on the line or adjacent thereto ;* and the Company may at least claim from parties who will be so materially benefited by the construction of the railway, the land requisite for the line and works at a moderate price.”—*Maitland Mercury.*

*Signed by order of the Court of Directors,*

GEORGE ENGSTRÖM,

*Secretary.*

5, CANNON STREET,

20th July, 1855.