USE OF THESES

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PORT STEPHENS AND GOONOOGOODOO

- A REVIEW OF THE EARLY PERIOD OF THE
AUSTRALIAN AGRICULTURAL COMPANY

by

J. F. Atchison

This thesis was submitted in partial fulfilment of the Degree of Doctor of Philosophy at the Australian National University.

This thesis is my own work.

[Signature]

John Atchison
FOR MY PARENTS AND GRANDPARENTS
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### ABBREVIATIONS

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<td>Australian Agricultural Company</td>
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<td>A.A. Company</td>
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<td>A.D.B.</td>
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CONVENTIONS

(1) The manuscript records of the Company are bound in large volumes and numbered consecutively in series (see Bibliography) or else are contained in lock clip files. To retain the references to these manuscripts in the textual apparatus the tradition of underlining such volumes as, for example, 78/1/16 has been discontinued for the sake of clarity of presentation. A similar practice has been adopted with manuscripts from the A.O.N.S.W.

(2) Australian place-names have been presented in accordance with the principles established by the Geographical Names Board of New South Wales. For this reason the possessive form has been avoided whenever possible without destroying the sound of the name or changing its descriptive application. Occasionally, early forms of place-names have been retained as, for example, Mooche for Mooki.
PRÉCIS

In the early decades of European settlement in Australia men believed that large capital resources would be needed to develop the fine-wool industry. Between 1803 and 1821 Captain John Macarthur and Gregory Blaxland tried unsuccessfully to form pastoral companies. Such efforts failed prior to the visit of the Commissioner of Inquiry. Following the publication of the Report on the State of Agriculture and Trade in New South Wales, the Australian Agricultural Company was formed by a group of English merchants and bankers along lines approved by the Secretary of State for Colonies. The first British-Australian capital investment corporation operating in the pastoral and mining industries faced formidable developmental problems. It was not easy to transplant European stock, skills and habits of agriculture to a strange environment characterised by fire, flood and drought. Operating within the restrictions imposed by the peculiar nature of the colony of New South Wales and later, following the cessation of the transportation system, by the problems of labour shortage and economic depression, the Company learnt to contend with this new environment. In the course of this experience it made positive and lasting contributions to Australian industry and society. At the same time, it provided raw materials for British manufactures. In the period preceding the mining of gold and the subsequent development of a large-scale and complex process of economic growth, the story of the Australian Agricultural Company reveals the difficulties faced by European man in adapting to the Australian environment.
When a company of merchants undertake
at their own risk and expense, to establish
a new trade with some remote and barbarous
nation, it may not be unreasonable to
incorporate them into a joint stock company,
and to grant them, in case of their success,
a monopoly of the trade for a certain number
of years. It is the easiest and most natural
way in which the state can recompense them
for hazarding a dangerous and expensive
experiment, of which the public is afterwards
to reap the benefit.

Adam Smith, *Wealth of Nations*,
New York, 1963, Book V,
Chapter 1, p. 459.
INTRODUCTION

The Australian Agricultural Company was formed in 1824 with a nominal capital base of £1,000,000, and commenced pastoral and mining activities in New South Wales in 1826. It was the largest attempt at company development in Australia prior to 1850 and the Company still plays a significant role in Australian economic life. The Australian Agricultural Company has performed a conspicuous role in the settlement of New South Wales and Northern Australia. The Company's achievements, as well as its severe setbacks, have held a fascination both for historians and the general public. Yet, its very foundation, as well as its continuous operations up to the present day, have long provided subjects for keen debate.¹

From time to time, men have glimpsed the benefits this corporation brought to Australia. Some have even longed for a fuller account of its operations. One perceptive journalist wrote in 1904 that the history of the Company was so largely bound up with the early history of New South Wales it was a matter for regret that no authentic and connected record of its operations existed, at least up to the time when it ceased to act as a pastoral and developmental agency. He thought that if such a record were available it would form a most interesting and valuable chapter in the early history of national growth.² Three years later, Jesse Gregson, hurt by the hard words men sometimes uttered about an enterprise to which he devoted thirty years of his life, offered an initial apologia.³ Gregson's study did not pretend to be a work of broad historical analysis but was the result of his own culling of the significant facts from the musty tomes to which he had access. Gregson was a


hard-headed businessman and Company politician writing a book drawn from the sources available to him at the Newcastle office of the Company. He was not able to consult Government records now lodged in the Archives Office of New South Wales and the Dixson Library, Sydney, nor did he see the Macarthur, Parry, Dumas and King papers in the Mitchell Library. It is doubtful whether he consulted the only complete set of the Company's records held, at that time, in the London office. Gregson wrote his work decades before the maturing of Australian studies but, set against the standards of the day, his book must be rated as a considerable achievement.

Since Gregson's pioneering work, many writers have attempted to evaluate the role of the Company and to assess its mixed fortunes. On the whole, it would not be an exaggeration to claim that Australian historiography has been so bewitched by the problems of the Company's foundation decade that it has tended to neglect the subsequent, and more important, history of the corporation.

Even within the foundation decade the variety of interpretation is inconsistent. Some writers, misled by excessive reliance on newspaper political propaganda, have taken an extremely critical attitude to the location of the original million acre land grant on the coastal lands between Port Stephens harbour and the Manning River. Some have criticised this decision as little short of outright irresponsibility. Others have attributed extreme carelessness

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to the committee which was ultimately responsible for this decision. The choice of the land is a fundamental problem which requires detailed discussion in my study of the early years of the Company.

Political conflicts during the early years at Port Stephens have led writers to exaggerate the difficulties of a relatively short period and to lose sight of positive achievements. This approach has led some people to look at the small profits made by the Company during this initial, formative period and to conclude that there was something drastically wrong with the system of management. One type of criticism was represented by James Demarr who, reflecting contemporary opinion, judged that whatever mistakes the Company may have made with its land grant it made no mistakes in selecting its men. Another type, exemplified by W.E.R. Wilson, representing modern impressions, concluded that the Company was constantly beset by inefficient and incompetent managers. Most of this debate has focussed on the competence of the Agent, Robert Dawson, and Commissioners: Edward Parry, Henry Dumaresq and Phillip Parker King. Both Dawson and King have been subjected to censorious criticism. Robert Dawson has been blamed for management failures which it is arguable were more the fault of his advisers and directors. An assessment of Dawson's term as Agent will need to examine this problem. The circumstances which led to the dismissal of Phillip Parker King as Commissioner have led some writers to attribute the Company's inability to make large profits to the failures of his system of management. It is also arguable that there has been a tendency to exaggerate the important role of Edward Parry and to lose sight of the achievements of his immediate successor, Henry Dumaresq. A major consideration of this thesis will, then, be to analyse the role of these four men.


Other writers have been so conscious of the twentieth century role of the Company as a pastoral corporation that they have played down its very important work in the early coal mining industry. Some speak of the colliery as an afterthought to its pastoral activities - as an accidental appendage. Others neglect the complicated political, legal and economic factors which led, in 1847, to the relinquishment of the exclusive coal privileges. It will be seen that pastoral and coal mining activities are so intertwined in the period up to 1847, at least, that they cannot be separated.

On a more general level, a debate has long continued among Australian historians on the influence of British colonial policy prior to the mining of gold in 1851. This debate has involved such men as Brian Fitzpatrick, E.O.G. Shann and R.M. Hartwell. Shann emphasised the individualist efforts that transformed the Australian economy while Fitzpatrick argued that Whitehall's colonial policy was usually detrimental to colonial prosperity. I do not pretend that a detailed monograph of one particular corporation, even admittedly the most important, can resolve this dispute. This would require many more monographs than we yet possess for the period.

My study lends weight to neither of these extreme views but tends to support the middle path already trodden by Hartwell.

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8 J. Robertson, loc.cit., p.222.


In recent years Australian economists and politicians have been questioning the desirability of our current policy on the high inflow of capital from overseas, especially from the United Kingdom, the United States of America and Japan. This is, of course, a problem which faces any country at a certain stage of its political, social and economic development. It is admitted we do not possess sufficient detailed knowledge of the effects of any particular corporation. In this sense, the Australian Agricultural Company has particular interest: it was the first overseas investment corporation to operate in the Australian pastoral and mining industries.

This study of the Company during its formative years reveals the early appearance of some of the perennial problems associated with overseas investment in Australia: a young country with potentially rich resources lacking the capital and skills to develop them to their maximum capacity. Once the initial injection of capital is obtained and the country begins to achieve a degree of political sophistication there develops a tension between the colonists and the investors from the Home Country. In the case of the Australian Agricultural Company this tension reached a high point on two occasions: once in the 1830's over the issue of land exchange in regions highly desirable to colonists, and, again, in the 1840's with the legal and political contest over the coal mining privileges. In the first case, the colony had not yet obtained any degree of real political representation and, hence, was not in a position to fight the exchange on the basis desired by its Governor and Surveyor-General. In contrast, the position in the 1840's was different. New South Wales obtained a partly elective Legislative Council in 1843 and the Company's coal privileges soon came under its critical gaze.

Another continuing theme of overseas investment in Australia is the charge of exploitation. Some writers have judged that the

12 Commonwealth Treasury, Overseas Investment in Australia, Canberra, 1972, passim.

13 Ibid., p.l.
Australian Agricultural Company ruthlessly exploited colonial resources during the period up to 1851. They would assert, by implication, that the British Colonial Office made little effort to safeguard the interests of colonists against such exploitation. This important question will be looked at on two levels: both in the background to the Company's formation and in its actual operations.

Chartered companies, like the A.A. Company, had long played a part in British colonial development in such lands as Africa, India and, especially, in North America. Comparisons of the experience of the A.A. Company with other companies would be a fruitful field of research. I have excluded such comparisons from my study for two main reasons. Firstly, the need seemed most pressing for a detailed study of the Company using the wealth of records recently available. The scale of these records and the lack of other detailed studies in this period precluded any widening of the scope of the study. Secondly, before 1847 the Company was not able to operate as a normal commercial venture. It was constrained by Royal Charter in both its pastoral and mining operations and was thus, for example, unable to alienate land. The penal nature of the society till 1840 imposed other restrictions upon its operations. These factors seemed to put the emphasis on the need to study the distinct nature of the Company's experience in New South Wales.

My study of the A.A. Company from its beginnings to the end of Phillip Parker King's term of office effectively marks the end of the early corporation. With the dismissal of King a new era was

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14 For example, "Vindication For An Old Investment", S.M.H., 6 March 1964, p.14.

inaugurated and substantially introduced when the old corporation was divided into two companies. My study is written against the back-
ground of earlier, partial studies and will examine the arguments and assumptions of these earlier writers.

My study will, however, do more than this. The wealth of evi-
dence available only since 1966 has enabled me to probe further than earlier writers into the affairs of the Company: its aims, its relationship with the imperial and colonial governments, its system of management, its attitude to employees both free and convict, and many other matters. My study can thus offer, not only a re-inter-
pretation of the early history of the Company but a contribution to some wider issues in the economic and political history of New South Wales. For example: the nature of early pastoralism, the roles of distance, soils, droughts, stock-breeding, land exploration and survey, early lines of communication and various colonial diffi-
culties; the importance of individuals like Captain Macarthur, the Company's Commissioners and skilled artisans, and the impact of changing colonial politics on economic development.

One special area of wider interest to which this study relates is that of regional history, because the Company at this early time was concerned only with northern New South Wales. Recent regional studies have stressed marked variations in Australian development. Studies on the Western Division of New South Wales, the Riverina and the Western District of Victoria have elaborated this diversity within unity.\(^{16}\) The evidence of these studies has been confirmed by work on the public lands of Major Mitchell's Australia Felix, the region of North Queensland, the lands around Goyder's Line in South Australia and the early settlements of Tasmania.\(^{17}\) Two very


diverse regional studies have illustrated themes in the history of Monaro and the Hunter Valley.\textsuperscript{18} A re-assessment of the Pastoral Age in New South Wales has raised far-reaching questions about traditional interpretations and suggested that the influence of capital inflow and migration is far more important than we have traditionally believed.\textsuperscript{19} In short, the current state of writing on New South Wales economic, business and regional history suggests the need for many more monographs than we yet possess.

It has long been realised that northern New South Wales, because of its geography and climate, falls into a distinct category. The roles of the hinterland to the industrial city of Newcastle and the coastal provincial town of Grafton are complicated by distance, tradition and separatist political movements.

The following study will attempt to provide one major key to understanding the early development and history of the region. Stress will be laid on developmental problems over a period of 25 years - a quarter century during which minimal profits were realised. It will aim to tell a story while, at the same time, showing something of the significance of the Australian Agricultural Company in the settlement and development of New South Wales.


CHAPTER 1

THE FORMATION OF THE COMPANY

The Australian Agricultural Company was formed in London as a direct result of reports tabled in the House of Commons. During 1822 and 1823 John Thomas Bigge, Commissioner of Inquiry, presented three reports to the Colonial Office which duly tabled them in the House of Commons. The Commons ordered their publication. The publication of these reports aroused considerable interest in English banking and merchant circles: it seemed that New South Wales offered a likely field for capital investment.¹

The potential of a remote convict colony as an area for serious investment burst upon the English scene with a certain sense of novelty and even relief. Britain was still in a state of turmoil following the defeat of Napoleon in 1815. The Duke of Wellington had demobilised his armies, and his officers, many of them on half-pay pensions, were looking for employment. The return of the mass of soldiers had provoked widespread unemployment which intensified the post-war depression. In finance, agriculture, industry and social welfare administration, the years following Waterloo introduced a period of crisis for the Tory Government of Lord Liverpool.²

Treasury officials, understandably anxious to prune costs, implemented a policy of reducing unnecessary expenditure. The effects of this policy were soon felt at Downing Street in the Colonial Office, the domain of Earl Bathurst, Secretary of State for Colonies. Even Bathurst, a capable minister but no innovator,

was worried that 'transportation to New South Wales was becoming neither an object of Apprehension...nor the means of Reformation' and that the colony was becoming too expensive. Bathurst was like other men in high places in London, in wondering by 1817 whether New South Wales was fulfilling the purposes for which it was intended. For this reason he sent out from England a Commissioner of Inquiry, John Thomas Bigge.

From 1819 to 1821 the Commissioner garnered his facts and formulated his opinions on the peculiar community developing on the eastern shores of Terra Australis. By the time Bigge returned to England to prepare his final reports he believed he had arrived at a means of reconciling punishment of convicts with profit to British enterprise. Bigge had collected much evidence which led him to conclude that convicts engaged in agricultural occupations were offered the best means of punishment and reformation. This judgement would alter the future development of New South Wales.

Bigge saw the future prosperity of the colony in the formation of a capitalist economy and the encouragement of free settlers as pastoral agriculturalists. By adapting the assignment system to the opulent and respectable free settlers he envisaged the eventual emergence of a colony based on a rural economy supplying raw materials to British manufacturers. Bigge also appreciated the need for a staple which would stabilise the uncertainties of the colonial commissariat market. For this reason he argued that assigned servants should be employed in the production of fine wool. His recommendations, when published in his Report on the State of Agriculture and Trade in the Colony of New South Wales on 13 March 1823 immediately commended itself to a merchant prominent in the British wool trade. This merchant, probably

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5 Ritchie, op.cit., pp.105-238.
Thomas Ebworth, suggested the formation of a joint stock company to implement Bigge's recommendations. 6

In his published reports Bigge had opposed the establishment of a joint stock company unless it undertook the proper superintendence of convicts. This reservation did not daunt the energy of Captain Macarthur's favourite son, John, who had begun his legal career at Lincoln's Inn Court, London. Acting on the suggestion of this merchant and the recommendations of Bigge, John Macarthur junior saw a chance to implement his father's long cherished dream of developing a fine wool industry in New South Wales. The young Macarthur was to play a prominent role in the formation of the Company. 7

6 Report of the Commissioner of Inquiry on the State of Agriculture and Trade in the Colony of New South Wales, London, 1823. Facsimile edition Libraries Board of South Australia, 1966. Pending the possible location of personal papers of the original Court of Directors the identity of this merchant must remain a matter of doubt. The article by G.P. Walsh on Frederick Louis Ebworth in A.D.B., vol.4, p.127, contains evidence which makes it probable that Thomas Ebworth was the merchant. It is still possible that it is one of two other persons: Henry Hughes or a Mr Marsh. See Brickwood to Dawson, 18 December 1826, 78/9/1, pp.153-55 (Papers of the Australian Agricultural Company, Business Archives of the Australian National University, Canberra); John Macarthur jnr. to James Macarthur, 14 November and 27 December 1824, Macarthur Papers, Mitchell Library A2911, pp.221, 236a; Select Committee of the House of Lords, appointed to take into consideration the State of the British Wool Trade, together with the Minutes of Evidence, in House of Commons, Parliamentary Papers, vol.8, no.515, 1828, pp.39-54, 79-85.

7 Ritchie, op.cit., p.252; Bigge, Report on Agriculture and Trade, p.18; Potter Macqueen to Captain Macarthur, 12 July 1824, Macarthur Papers, M.L. A2900, p.111. For the purposes of clarification, the following definition has been adopted: "a joint stock company is a company having a permanent paid-up or nominal share capital of fixed amount divided into shares, also of fixed amount, or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having its members the holders of those shares or that stock, and no other persons, and such a company when registered with limited liability shall be deemed to be a company limited by shares", H.A.L. Sturgess & A.R. Hewitt, A Dictionary of Legal Terms and Citations, London, 1934, p.122.
While Bigge was preparing his reports for the Colonial Office, John Macarthur fostered his close friendship with Robert Wilmot Horton, the Under-Secretary, and formed a valuable association with Edward Barnard, the New South Wales Agent in London. On the basis of these contacts in Downing Street, Macarthur attempted, unsuccessfully, to anticipate Bigge's views. As soon as the Commissioner's reports were published and Ebsworth made his initial suggestion, John Macarthur began to lobby various bankers and merchants with a view to implementing plans for a company to develop the fine wool potential of New South Wales. Although Captain Macarthur played no role in the formation of the Australian Agricultural Company, the venture formed in 1824 is in direct lineal descent from the plans suggested by him, John Maitland and others two decades previously. During 1823 and 1824 initial discussions took place in London. By early 1824 these plans had matured. On Saturday morning, 10 April 1824, the young Macarthur convened a meeting of influential bankers and merchants in his Lincoln's Inn chambers. Laid out on the table were observations on the colony of New South Wales drawn from Bigge's published reports, and heads of proposals for a plan to form a joint stock company. Twelve gentlemen met to consider the expediency of forming a company, to obtain a grant of land in the colony of New South Wales, to extend and improve the flocks of merino sheep and for other purposes.


10 Court to Stanley, 20 December 1844, Ferguson 6315, p.19.

11 Original Observations & Plan, 10 April 1824, encl.1 in Court to Committee, 5 July 1824, 78/9/1, pp.7-17.
Occupying the chair at that initial meeting was John Smith of the banking house of Smith, Payne and Smith and M.P. for Midhurst, County Sussex. John Smith was an intimate friend of William Wilberforce who became a shareholder in the corporation formed as a result of the meeting. Seated around the table were Baronet Sir Robert Farquhar, lately returned to London from Mauritius, and James Brogden, M.P. for Launceston, County Cornwall and chairman of the Ways and Means Committee of the House of Commons. Also present was Richard Mee Raikes, M.P. and a director of the Bank of England. Stewart Marjoribanks, M.P. for Hythe, County Huntingdonshire and a brother of the deputy chairman of the East India Company, sat with G.G. de Hochepied Larpent of the firm of Paxton, Cockerell & Company, William Ward and J.H. Palmer, Thomas Tooke, George Brown, a director of the West India Docks, John Macarthur and Donald Maclean made up the initial group of enterprising speculators.

Upon opening the meeting, John Smith called for the reading of observations about the soil and climate of New South Wales. These observations concluded with the statement that the soil and seasons seemed peculiarly adapted to the growth of fine wool as well as to the cultivation of the vine, olive, silk and other productions imported to England from Italy and the shores of the Mediterranean. Reference was then made to those sections of Commissioner Bigge's first and third reports where he made strong recommendations for promoting the growth of fine wool in New South Wales.

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12 Ibid., p.7; List of Directors & Auditors, encl.6 in Court to Committee, 5 July 1824, Macarthur Papers, M.L. A4315, p.107; The Electors' Remembrancer, London, 1822, p.45; Kashnor Collection, 2128P.


15 Original Observations & Plan, 10 April 1824, loc.cit., pp.7-10.

Following the reading of these observations a plan was proposed for the establishment of a Company as follows: 17

1. The Company to be incorporated by Letters Patent or Act of Parliament and to be called the "Australian Company" with a Capital of £1,000,000 sterling divided into 10,000 shares of £100 each.

2. To obtain from the Crown a Grant of 1,000,000 acres of land.

3. To form an agricultural establishment for the purpose of raising fine wool, and, subordinate to that object, cultivating the vine, olive, flax, and other productions, now imported from the shores of the Mediterranean.

4. The affairs of the Company to be managed in England by a Board of Directors and in the Colony by Agents of experience and respectability.

5. Emigration to the Company's lands to be encouraged and particularly the emigration of families from Saxony and the South of France acquainted with the management of fine woolled sheep and the culture of the vine.

6. To increase and improve the flocks of sheep, with the view to the export of wool, and the plan adopted upon the estates of the Esterhazy, and other great families in Germany and Spain, and from which their Principal revenues have been derived.

These men of capital contemplated many advantages from the formation of such a company. An annual income would be derived both from the wool and other articles of export raised on the estates and from the sale of agricultural produce in the colony. They also foresaw an increasing capital gain from the rise in value of land as population was drawn to settle upon the Company's estates or the adjacent districts. It was calculated the Company's expenditure would not exceed £200,000 to £250,000 devoted to buildings, the purchase of sheep and cattle, and to gradual improvements to the estate. 18


Returns presented in the House of Commons had shown a rapid increase in the value of exports of British Manufactures and produce to the colony from £9,301.14.8 in 1819 to £137,908.6.10 in 1823. This rapid increase justified a belief that if exports from the colony were encouraged there would be, within a few years, a considerable demand for manufactured articles and produce from Great Britain. Exports from New South Wales had till 1824 been fine wool, seal skins, sperm and black oil. More recently timber, tanning barks, hemp, flax, tobacco as well as samples of red and white wine had been imported into Britain. New South Wales fruits included all those grown in temperate climates such as the orange, lemon, citron, guava, almond, grape, olive and peach.

John Smith and his colleagues saw particular advantages arising from the growth of fine wool in New South Wales. British manufactures annually consumed between 16 and 18 million pounds weight of foreign wool and 144 million pounds of British wool. By 1824 the value of woollens exported was more than £7 million sterling while the consumption in the United Kingdom was above £16 million. The most prominent British manufacturers considered that New South Wales wool had special qualities. As well as fineness of fibre, this wool was, like fur, uncommonly soft to touch. When mixed with Spanish and German wool of equal fineness it could be usefully used to correct a certain harshness in the continental product. Even the highest quality European wool was apt to possess this harshness, a character which was very striking on comparison with the extreme softness of wool from New South Wales.

In 1824 Great Britain was dependent on Spain, Saxony and Austria for fine wool. By promoting the growth of New South Wales fine wool,

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19 In 1822, the figure stood at £176,130.5.4. Ibid., p.15. House of Commons, Parliamentary Papers, 1824 (186) XVII, 249.


21 Ibid., p.16; House of Commons, Parliamentary Papers, 1823 (373) XIII, 665-67; 1824 (64) XVII, 269.
the Company believed it would enjoy the advantage of raising a valuable raw material in a British settlement. A mutual intercourse beneficial to the grower in New South Wales, the ship owner and the manufacturer in Britain would result. Importations of wool from the German states had in great measure arisen only within the previous twenty years. With the superior advantages of climate and soil, the protection of English institutions and the influence of capital it was not unreasonable to look forward to a period when the British woollen manufacturers would derive their chief supplies from a British colony. New South Wales wool would be produced at a cheaper price compared with imports from Spain, Saxony and Austria where the severity of the winter rendered artificial treatment necessary and caused great additional expense.\(^{22}\)

After considerable discussion these twelve men passed two resolutions:

1. That the proposed company should be formed with a capital of £1,000,000 sterling in 10,000 shares of £100 each.
2. That a deputation of nine men should be authorised to wait upon Earl Bathurst with various "Proposals to Government". Numerous subscriptions to the intended company were then received and the meeting adjourned.\(^{23}\)

The deputation was received by Earl Bathurst at Downing Street on Wednesday, 14 April 1824. Copies of the Proposals to Government and Plan had previously been forwarded to the Colonial Office. Bathurst was generally favourable to the proposals but shrewdly pared down some of them suggesting, for example, that the Company should be incorporated by Act of Parliament rather than Letters Patent. He thought the Company's shares should not be brought forward to increase the prevailing spirit of speculation and gambling.\(^{24}\)

\(^{22}\) Original Observations & Plan, \textit{loc.cit.}, pp.16-17.

\(^{23}\) \textit{Ibid.}, pp.18, 21.

\(^{24}\) For a copy of the Proposals to Government, see \textit{ibid.}, pp.18-21; C.O.280/2/7-9. Minutes of Interview with Earl Bathurst, encl.2, Court to Committee, 5 July 1824, 78/9/1, pp.23-28.
A week after this meeting with Earl Bathurst a group of gentlemen nominated to act as Directors met at the London Tavern in Bishopsgate under the chairmanship of John Smith. After the authorised deputation had presented the minutes of their meeting with Bathurst a number of resolutions were passed. The first of these resulted in the formation of a General Committee of Management consisting of 25 Directors and 3 Auditors. A second resolution established that the qualification of each director and auditor be 50 shares. A Select Committee of Management comprising 15 members was formed to carry on negotiations with His Majesty's Government. The Select Committee was empowered to obtain, if possible during the current session, an Act of Parliament to incorporate the Company.

On Saturday 22 May, the Directors again met at the London Tavern to consider the proposals as altered by Earl Bathurst. There were eighteen proposals. They related to the legal enactment of the Company, the rotation of directors and the stipulation that no rival joint stock company with similar aims be established in New South Wales for twenty years. No other exclusive privileges and no peculiar jurisdiction in the colony were desired. The primary object of the corporation was stated to be the production of fine merino wool as an article of export to Great Britain. For this reason the Company proposed to purchase in New South Wales such flocks of good quality sheep as could be obtained and to increase and improve them by importations of the purest race from Spain and the Electoral Domains of the King of Saxony. The Company would send out free, experienced agents and overseers to employ and train convicts as labourers and shepherds. Eventually 1400 convicts would be thus employed, diminishing government expenditure to the extent of £30,800 annually. The Company would send out from Europe persons skilled in the management of merino sheep and in the mode of assorting and preparing the fleeces for the London market. It would also afford facilities for the diffusion of this useful knowledge throughout the colony. The Company would promote to the

25 Ibid., pp.28-29.
26 Ibid., pp.29-30.
utmost of its power the system of rural industry directed by His Majesty's Government (on the recommendation of the Commissioner of Inquiry) as being best adapted to the state and circumstances of the colony, and to diffuse the knowledge of it amongst all classes of the inhabitants. 27

Following this meeting negotiations proceeded apace for the preparation of a Bill for granting certain Powers and Authorities to a Company to be incorporated by Charter to be called "The Australian Company of London." This bill was modelled closely on 5 Geo.III cap.163, an act of 9 June 1810 incorporating the Gas Light and Coke Company. 28 Eventually, on 21 June 1824, the Company was formally enacted by Act of Parliament, 5 Geo.IV cap.86: an Act for granting certain Powers and Authorities to a Company to be incorporated by Charter, to be called "The Australian Agricultural Company", for the Cultivation and Improvement of Waste Lands in the Colony of New South Wales, and for other Purposes relating thereto. 29

On 1 November 1824, the Australian Agricultural Company was granted a Royal Charter which defined the limits and purpose of its operation. The Charter safeguarded the public interest as well as that of the Company. It provided for the payment of quit-rents over a period of twenty years, or the redemption of the same by paying the capital sum of twenty times the amount of the rent so to be redeemed. The Charter also stipulated that no land should be sold during a period of 5 years, computed from the date of the grant,

27 Proposals agreed on with His Majesty's Government, encl.3 in Court to Committee, 5 July 1824, 78/1/1, pp.31-36.
28 C.O.280/2/285-95, 307-14, 363. S.H. Roberts' claim that even in 1820 the proposal was known as the Australian Agricultural Company must be considered unreliable. S.H. Roberts, History of Australian Land Settlement, p.57.
and that the land was absolutely inalienable until the sum of £10,000 had been laid out in the formation of roads, erection of buildings, cultivation, fencing, draining, and other improvements of such lands. The land was valued at one shilling and sixpence per acre, and the annual quit-rent amounted to the sum of 30/- for each parcel of land of the value of £100 sterling.

By 1824, then, the Company was founded as a pastoral enterprise whose principal aim was to be the growing of fine wool as an article of export to Great Britain. Early in the following year moves were initiated for the Company to become involved as well in coal mining.

During March the Home Government proposed the Company should take a conditional lease of the Newcastle mines. This proposal immediately struck a responsive chord with several directors who were associated with the East India Company. Three directors of the Company were also directors of the East India Company, and two others had close connections with the latter. These men were especially keen to see the mines worked because they would facilitate steam navigation throughout the ambit of the East India Company. This Company already operated several steam boats in Indian waters.

The Royal Charter was a necessary instrument enabling the Company to hold lands and engage in various commercial activities. It also protected the interests of Government and colony as well as safeguarding the investment of the Company. For notes on the Royal Charter, see C.O.280/2/315-16; for the Royal Charter, see encl.2 in Court to Committee, 10 December 1824, 78/9/1, pp.71-78. For particulars of the quit-rent, see encl.3 in Court to Committee, 5 July 1824, ibid., pp.36-37.

When in 1788 Captain Phillip took possession of all land in Eastern Australia on behalf of the Crown, he was also authorised to make grants. The grants were subject to certain conditions, on the observance of which the Crown agreed to quit its right to possession and allow the grantee to use the land as his own personal domain. These conditions in some instances required the performance of services such as maintaining a number of convicts, while all grants required the payment of an annual rent forever. In some cases the performance of services was commuted to an annual rent which became known as "Quit Rents". C.J. King, An Outline of Closer Settlement in New South Wales, Sydney, 1957, p.17; T.A. Coghlan, Labour and Industry, vol.1, pp.89-90.
and was planning to send out more vessels. One boat would also be
sent to Batavia. The expansion of such activities was dependent on
the establishment of coaling stations on the coastline of the Indian
sub-continent. This, in turn, was rendered very difficult by the
absence of any known coal deposits on the mainland of India. Of
necessity, coal was being shipped to India from England. Rather than
ship coal from Newcastle-upon-Tyne it would be more economical to
carry coal in convict and trading vessels sailing from New South Wales
to Batavia, Calcutta and other ports. 31

Considerable doubt persists as to the party initiating these
moves on coal. Recently J.W. Turner has concluded that the Company,
and not the Colonial Office, took the initiative in 1825. The
Company did so, he argues, not in response to a specific official
invitation but because the introduction of steamers to India created
a market for coal and the Bigge Report suggested that the colonial
mines should be leased. Turner rightly states that there can be no
doubt that in 1825 the A.A.Company was eager to acquire a lease of
the Newcastle coal mines. He also concedes it is still possible
the suggestion came from the Colonial Office but this does not seem
likely as it is not mentioned anywhere in the correspondence.

On the other hand, the constant tradition of the Company has
been that the Colonial Office initiated the moves in 1825. Turner
has built up a circumstantial case to explain that "when it was
later asserted that the Company had undertaken the working of the
mines 'reluctantly at the expressed desire of the Home Government',
its Secretary was confusing two separate phases of the long
negotiations." 32

31 Coal Mines at Newcastle, N.S.W. - Abstract of Proceedings
March 1825 to July 1828, 78/9/1, p.531; J. Macarthur to Wilmot
Horton, 9 April 1825, C.O.280/2/72-73; List of Directors, encl.6
in Court to Committee, 5 July 1824, Macarthur Papers, M.L. A4315,
p.107.

32 J.W. Turner, "The Entry of the Australian Agricultural Company
into the New South Wales Coal Industry", J.R.A.H.S., vol.58, pt.4,
December 1972, p.234. (Quoting A.A.Company to Earl Grey,
4 November 1846.)
Who is right? It must be admitted from the outset that the question is still open to some doubt pending the possible location of personal papers of the original Court of Directors. In spite of this factor, it seems more probable, as I hope to demonstrate in the following paragraphs, that the Company's tradition is correct and that Turner's concession is more than a possibility.

Turner has correctly delineated two separate phases in the Company's formal involvement in coal mining between 1825 and 1830. From 1825 to 1827 the Colonial Office agreed that the Company should lease the Government mines at Newcastle and work them on a competitive basis. For various reasons, as will be seen below, this phase ended in failure. Beginning in 1828 the Colonial Office granted the Company exclusive monopoly privileges in the coal trade. Under these conditions the Company developed its first pit during 1830 and began the sale of coal in 1831. This phase lasted, in various stages, down till 1847. The argument about the initial moves is relevant only to the first phase.

The earliest documents pertaining to the Company's involvement in coal mining are the exchanges of correspondence in 1825 between the Company and the Colonial Office. These are the records referred to by Turner. On the basis of these letters he states "The Company's officers were later to assert that it was the British Government which asked them to undertake the management of the Newcastle mines but the official records do not support their claim". Turner's case is seriously weakened by evidence provided by other letters of the period. The first of these is a letter written in 1828 by John Strettel Brickwood. In it he states quite definitely that the initial moves came from the Colonial Office. As Brickwood had been secretary continuously since 1824 and as the letter is a confidential letter to a friend, Benjamin Thompson, there seems no reason to doubt his statement. A second document

33 C.O.280/2/54 ff.
34 Turner, loc.cit., p.234.
35 J.S. Brickwood to B. Thompson, 9 April 1828, 78/6, p.52.
in the form of an "Abstract of Proceedings on the coal question between March 1825 and July 1828" also states quite definitely that the moves were begun by the Home Government. These two documents are both a part of the official records of the A.A.Company. They provide information complementary to that held in the Colonial Office records. It must be concluded that they provide evidence to establish a case contrary to that argued by Turner. Although the Colonial Office probably initiated the moves because of cutbacks in Treasury spending the Company was very eager to become involved in coal mining. The presence of persons holding dual directorships on the boards of both companies would readily explain the eagerness with which the A.A.Company responded to any invitation from the Colonial Office. From their experience with the East India Company these persons were well aware of their need for accessible coal.

From the available evidence, then, it would seem the initial move probably came from an official in the Colonial Office keen to cut back on any unnecessary expenditure by the colonial government in New South Wales. It would be more economical for the government to withdraw completely from coal mining operations and to lease the mines to a suitable individual. It would be a logical step then to invite the A.A.Company, already granted investment powers by the same Colonial Office, to invest some of its capital resources in the coal industry.

It will be seen below that the Company's reluctance in October 1827 to continue the venture stemmed from a number of causes. One of the most important of these was opposition by the Colonial Governor, Sir Ralph Darling, to the Company engaging in coal mining. Turner lays emphasis on Darling's confidence in March 1827 that "The Australian Agricultural Company does not possess one atom of

36 Abstract of Proceedings on the Coal Question between March 1825 and July 1828, 78/9/1, p.531.

37 Turner, loc.cit., p.237.
the coal mines nor has the Government any intention of transferring any part of them to the Company." But Darling quickly withdrew his opposition as soon as he understood the agreements entered into between the Colonial Office and the Company. His opposition was understandable as soon as it is realised he did not receive word of the initial 1825 agreement because a breakdown in communication within the civil service prevented his receiving the relevant despatch. 38

When the initial move came from the Colonial Office in March 1825 it met a ready response from the Company, principally for the reasons listed above. The Company moved quickly on the question also because its first chartered ships were preparing to leave for New South Wales. 39 It was basically for these reasons the Court of Directors was anxious to achieve a speedy agreement on this question. The initial suggestion, in line with a recommendation of Commissioner Bigge, formed the basis of a submission made by John Smith to Wilmot Horton on 31 March 1825. On the lines of Bigge's Report on the State of Agriculture and Trade in New South Wales, John Smith proposed: 40

1. That the Governor of New South Wales shall be empowered to grant to the Australian Agricultural Company a lease of the coal mines at Newcastle and other places in New South Wales for the term of ( ) years.

2. That the Company shall pay to the Crown an annual rent amounting to ( ) part of the nett annual produce of the mines, the amount to be ascertained and verified upon oath, as may be hereafter deemed expedient by Earl Bathurst - but that for the first five years from the date of the lease


39 Smith to Wilmot Horton, 27 April 1825, C.O.280/2/76-77.

the Company shall hold the mines free of rent.

3. That the Company shall send to the Colony persons experienced in the mode of working and conducting coal mines in England and that they shall employ convicts as labourers in the mines under the usual conditions and control.

4. That the Governor of New South Wales shall be also empowered to grant to the Australian Agricultural Company on similar terms the lease of any districts that may be pointed out as possessing iron or any other minerals.

These proposals submitted for Earl Bathurst's attention were primarily limited to the coal mines at Newcastle. Prior to the transfer of the secondary penal station from the Hunter River to Port Macquarie the Newcastle mines were being worked imperfectly by the colonial authorities. These officials were more concerned that the Coal River fulfil its role as a place of secondary punishment than with the efficient mining of a product for which there was as yet little demand in the colony. The Company's fourth proposal was more far-reaching and seems to have been parried by Wilmot Horton and Bathurst. Coal for steamers within the ambit of the East India Company may have been the immediate aim but more ambitious projects were not beyond consideration.

Jurisdictional problems on the question forced the Colonial Office to consult the Treasury and even the Duchy of Lancaster. There were voices of caution. Huskisson at the Board of Trade approved the granting of mining rights but thought permission should be refused for the Company engaging in fisheries, brewing or distilling. By this time the Company's first ships, the York

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41 Report of Major Gillman, 10 April 1829, 78/9/1, pp.426-27; Henderson to Colonial Committee, 8 May 1827, ibid., pp.325-27.

and the Brothers were preparing to leave for New South Wales. John Smith pressed Wilmot Horton for some indication of the outcome of his application. Advantage would be gained in sending out experienced coal miners on the York. Although a full answer to the proposals had been promised by 2 May, Richard Hart Davis was still pressing for a formal indication eleven days later.\(^4^3\)

At a meeting on 16 May between a deputation from the Company and Under-Secretary Wilmot Horton the principles upon which the mines would be leased were stated. Four days later the Special Committee of Management submitted a second list of proposals designed to facilitate negotiations.\(^4^4\) The Company proposed to lease all coal mines then in possession of the Crown at Newcastle and on the banks of the Coal River, as well as all other coal mines not yet opened. In addition, they wished to mine all minerals and metals in any part of New South Wales which were then in the possession of, or the right to which had been reserved in grant by the Crown. Such leases were to be initially for a term of five years, and on the expiration of that time for the further term of 31 years. The Company would pay a peppercorn rent annually for the first five years. After that time, for a further term of 31 years, it would pay one-twentieth part or share of all coal, iron or iron ore, lead, tin, copper, silver and gold brought to the surface. The Company also sought, amongst other conditions, to have the privilege of renewing all conditions upon notice being given by them. Notice to this effect could be given at any time previously to the expiration of existing leases.\(^4^5\)

\(^{43}\) Smith to Wilmot Horton, 27 April 1825, C.O.280/2/76-77; Hart Davis to Wilmot Horton, 13 May 1825, C.O.280/2/90-91.

\(^{44}\) Smith et alii to Wilmot Horton, 20 May 1825, C.O.280/2/94.

\(^{45}\) Australian Agricultural Company Proposals, C.O.280/2/96-97; Brickwood to Wilmot Horton, 28 June 1825, C.O.280/2/98.
Following this submission Earl Bathurst gave a definite decision. The Company was permitted to lease the coal mines at Newcastle for 31 years. Payment of rent to the Crown would commence from the date on which the Company took possession of the mines. On condition that the Crown judged it advisable to dispose of the coal to the Company payment of rent would consist in one-twentieth part of the coal at the market price of the day in the colony. If disagreement existed between the Crown and the Company as to the market price the point was to be settled by two arbitrators, mutually chosen, with power to appoint a third. Earl Bathurst reserved to the Crown the right to retain a fifteenth portion of the coal, instead of a twentieth, should it be later deemed expedient to alter the terms of the agreement. On the basis of this reply the Court proceeded with plans for sending out a coal establishment to New South Wales and all was in readiness for the Company to begin its pioneering work in New South Wales.

This, then, is the basic picture that emerges from the formation and early development of the Australian Agricultural Company in London during 1824 and 1825. It was essentially a British enterprise owing its initiation and capital to English merchants and bankers. At the same time, John Macarthur junior played an important role in its formation. It was confusion arising from the presence of both British and colonial factors which explains much of the heated response in Sydney when news of the Company's formation was received late in October 1824.

The Company was first of all British in its initiation. Without the initial suggestion by Thomas Ebsworth it is doubtful whether the Company would have been formed. The Company was, secondly, an enterprise almost completely British in its capital formation as indicated by the published lists of shareholders.

46 Hay to Court, 7 July 1825, C.0.280/2/100-102; Brickwood to Hay, 10 December 1825, C.0.280/2/103-104.

47 See below
Of its 10,000 shares of £100 each, only 580 were allotted to colonists in New South Wales. The bulk of shares were retained by British interests. Such family groups as Brownrigg, Buckle, Compton, Curtis, Easton, Farquhar, Harrison, Larpent, Marjoribanks, Norman, Raikes, Smith, Thompson, Thornton and Villiers stand out in the published list of proprietors. Other shareholders included such persons as John Thomas Bigge, Sir Charles Cockerell, Walter Stevenson Davidson, Richard Hart Davis, Henry Porcher and William Wilberforce. The voting power of shareholders was arranged as follows:— for 10 shares and less than 30, one vote; for 30 shares and less than 60, two votes; for 60 and less than 90, three votes; for 90 and upwards, four votes — and no more. No shareholder, therefore, could exercise a vote in proceedings if his interests in the Company were less than £1,000. The first governor of the Company was John Smith. William Manning, M.P. for Lymington, County Hants, was appointed Deputy Governor. Both men exercised four votes. These two men were members of Parliament as were another six of the original directors and two of the auditors. In all, 30 shareholders mentioned in the List of Proprietors of June 1826 were M.P.'s. The Bank of England was strongly represented on the original Court of Directors through its Deputy Governor, John Baker Richards, and five of its directors: William Manning, David Barclay, Timothy Curtis, George Warde Norman and Henry Porcher. The East India Company was similarly placed with five representatives among directors: Stewart Marjoribanks, brother of the East India Company's deputy chairman; Thomas Tooke, of the firm Stephen Thornton & Co. which boasted as a partner Mr Astill, chairman of the Indian corporation; Robert Campbell, John Loch and John Ravenshaw were directors. An impressive number of banking and business firms in addition to the abovementioned were represented on the board. These were Bazett, Farquhar, Crawford and Company; Herries, Farquhar, Haliday and Company; Paxton, Cockerell and Company; Coutts and Company; The West India Docks and the Board of Ship Owners. 48

48 Australian Agricultural Company, List of Proprietors, June 1826, Ferguson 1058, pp.3-25; encl.4 in Court to Committee, 5 July 1824, 78/9/1, p.746; The Electors' Remembrancer, loc.cit., p.18.
This was, by any standards, an impressive array. In short, it was the first use of the London capital market to finance pastoral and mining development in Australia. The City of London was beginning its long tradition of investing capital in Australian resources. The classical theory of land, labour and capital was once again being applied to a new situation.\textsuperscript{49}

The third way in which the A.A. Company was heavily British was in its major aims. Its pastoral enterprise was geared to the production of fine wool as a staple export to British woollen mills. Its coal venture was primarily geared to the mining of coal and its export to India for the steamers of the East India Company. An obvious interpretation which presents itself is to see the Australian Agricultural Company as a British capital investment corporation intending to rape and irresponsibly exploit colonial resources. This allegation was made as soon as news of the Company's formation was received in New South Wales.\textsuperscript{50} It has frequently been repeated.\textsuperscript{51} For these reasons, alone, the interpretation must be examined.

The body of this thesis will provide a detailed description of the practical experience of the Company between 1824 and 1849. It is necessary, however, to examine here the theoretical aims in establishing the Company in London in 1824 and 1825. In discussing this complex question one must keep constantly in mind the recommendations of Commissioner Bigge and the active role played.


\textsuperscript{50} \textit{Australian}, 18 November 1824, p.2.

in the powers granted to the Company by the Colonial Office through its Secretary of State, Earl Bathurst.

The reports of Bigge were the essential background to the Company's formation. Bigge had specifically opposed the establishment of a joint stock company unless it undertook the proper superintendence of convicts. Thus, a first principle behind the initial moves in 1824 was that any company formed to engage in pastoralism would be immediately committed to considerable expenditure in feeding, clothing and housing a large convict labour force. Eventually, the A.A. Company was supposed to employ 1400 convicts and diminish government expenditure by £30,800 annually. The supply of this labour force was the linch-pin of the Company's formation. Without the guarantee of this convict labour force John Smith and his colleagues would not have committed their capital and interests to the Australian scene. In return, the Colonial Office guaranteed the assignment of this labour force. It was this mutual undertaking of responsibilities, based on Bigge's practical recommendations, between the Company and the Colonial Office which was the prime consideration.

The Company undertook to send out to New South Wales competent, free persons with experience gained in the British and Continental woollen industry. These men would act as agents and overseers to employ and train convicts as skilled pastoral labourers and quality shepherds. In addition, through the establishment of schools and churches, it would undertake the educational and moral improvement of the convicts assigned to its estate. Thus, in return for receiving the services of an undoubtedly large labour force, the Company undertook to make them useful citizens of the emerging free colony.

52 Bigge, Report on Agriculture and Trade, p.18.
53 Proposals agreed on with His Majesty's Government, encl.3 in Court to Committee, 5 July 1824, 78/1/1, pp.31-36.
54 Court to Stanley, 20 December 1844, Ferguson 6315, p.21.
The Company also committed itself to sending out from Europe people with skills in sheep management and experienced in classifying and preparing shorn wool for the London market. With a pastoral industry still basically geared to the growing of meat these were skills needed in the colony. The Company guaranteed to diffuse this useful knowledge throughout the colony. In brief, the Company's pastoral operations were designed to promote Bigge's system of rural industry necessary to establish New South Wales as a free and economically viable society. The A.A. Company was designed to play a major role in aiding the colony to become a wool growing and pastoral economy.\(^{55}\)

There can be no doubt that the Company was given exclusive favours, particularly in its grant of one million acres. Set against the Australian mainland mass of 2,941,526 square miles this may not now seem a significant portion but by the standards of 1824 it was certainly large. Captain Macarthur, one of the largest landholders, was still in the process of acquiring his 60,000 acres of grant and leasehold land in the Camden district.\(^{56}\) William Lawson, an equally important pastoralist, held by lease or grant some 200,000 acres in various districts. These men were, on the whole, the exception.\(^{57}\) Many of the free settlers who emigrated to New South Wales received initial grants of 2,560 acres which could be enlarged by purchase after 1825 to a maximum of 9000 acres. A free grant of 1,000,000 acres was, then, far in excess of the accepted estates of the 1820's.

The figure of one million acres had a long history. In 1803 when Macarthur had put forward his Statement of the Improvement and

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\(^{57}\) Article by E.W. Dunlop on William Lawson, ibid., p.96.
Progress of the Breed of Fine Woolled Sheep in New South Wales he had attempted to form a pastoral company. Although Macarthur's attempt ended in failure, Sir Joseph Banks had recommended that a million acres be conditionally granted to the proposed company. This figure was based on the calculation of one sheep to one acre.\textsuperscript{58} In the absence of direct evidence it seems reasonable, in view of the role played by John Macarthur junior, to suppose that the earlier submissions and comments were recovered in 1824 from a dusty pigeonhole and used in preparing the later "Proposals to Government".

The grant was admittedly large. At the same time, Earl Bathurst guaranteed it would not be used as a speculation but developed for the dual purposes of helping both the Company and the colony. The Company was committed to the payment of quit rents on the land and was held to a specified period of non-alienation as well as to carrying out such improvements as road construction, erection of buildings, cultivation of land, fencing and draining.\textsuperscript{59} Given the condition of the colonial economy in 1824 it must be admitted there were few options open to the government in guaranteeing responsible land use. Development by a corporation held to strict conditions would seem, then, a desirable method. The strict conditions binding the Company were spelt out in the Royal Charter which bound it till 1847, and effectively till the large scale restructuring of the Company beginning in 1851.

Bathurst's concern for responsible and beneficial operations by the Company in the colonial situation was repeated in the agreements on the coal venture. It was recognised the Company's investment of capital and skills in the colony's primitive coal industry would be an undoubted boon to New South Wales. First of all, the mines were


\textsuperscript{59} C.0.280/2/315-16; encl.2 in Court to Committee, 10 December 1824, 78/9/1, pp.71-78.
only leased; the rent was fixed by the Colonial Office. The price of coal was fixed by a mutual agreement between the Government and the Company and, if disagreement existed, was open to independent arbitration. Various escape clauses favourable to Government guaranteed the Company's responsible operations. 60

It would seem, then, that for the period 1824-1849, during which period the terms of the Royal Charter and specific agreements spelt out varying commitments, the Company was held, in theory, to a responsible and non-exploitative mode of operation. These commitments were spelt out in detail by Earl Bathurst and a Colonial Office charged with the difficult task of guiding a prison society to a free enterprise economy. Even if it be admitted that Earl Bathurst guaranteed that the colonial situation would not be exploited in an overt way, was this necessarily the original intention of the Company's Court of Directors before their submissions met the paring knife of the Colonial Office?

Commissioner Bigge had warned in his reports that although persons who embarked on pastoral enterprises in the colony might reasonably hope to reap great benefit in time, he was cautious. He was convinced, they would, in the first instance, be accompanied by great personal sacrifices and the returns on the outlay of capital would be slow and distant. 61 This was scarcely the type of bait to attract foolish speculators intent on making fast profits.

Does the same conclusion apply to the Company's mining venture? Even if, as was seen above, John Smith and his colleagues committed capital to develop the colonial coal industry with the full knowledge of concomitant responsibilities how does one account for their desire

60 Brickwood to Dawson, 29 July 1828, 78/9/1, pp.257-58; Twiss to Brickwood, 31 July 1828, 78/9/1, pp.277-81; Court to Twiss, 4 August 1828, ibid., pp.281-82.

61 Bigge, State of Colony, p.162.
to mine all other minerals and metals such as iron, lead, tin, copper, silver and gold? One is puzzled completely by this submission which its proposers must have known had no chance of being seriously considered. Either the Court of Directors was pushed by the East India Company representatives who were eager to obtain coal for their steamers, or the submission was used as a political ploy to obtain ready approval for the coal venture. The fact that the point was not persisted with must make one incline to this latter conclusion as more probable.

The basic picture emerges, then, of a respectable, conservative group of City of London merchants and bankers regarding New South Wales as a likely field for capital investment after the Napoleonic Wars had created a need for new fields of enterprise. In essentials, they were taking a long term gamble on good returns on capital invested. They knew full well their capital would play an important developmental role in an emerging colony before it gave them satisfactory returns. Adequate care was taken by the Colonial Office to see that the Company's undertakings would be fulfilled in a responsible manner. In its background and aims the A.A.Company was designed to be what would be known today as a developmental corporation.

If, then, the Company was basically British in its origin, capital base and aims, how was it regarded in the colony? News of its formation met with a very mixed reception due, in part, to the involvement of the Macarthur family in its planned operations. The reaction varied from one faction of colonial society to another, and reflected the changing nature of colonial society and politics.

By October 1824 New South Wales was passing through a period of transition. In the three years between 1821 and 1824 important changes had occurred in the colony. Sydney with a population of

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62 Australian Agricultural Company Proposals, C.0.280/2/96-97.
about 12,000 presented a confident face to the world. Parramatta, Liverpool and Bathurst were quickly becoming respectable towns. Port Macquarie had replaced Newcastle as the secondary penal station and Newcastle, because of its geographical location and coal, seemed soon to rise to a position of consequence. In every direction from Sydney the country was being cleared and the roads, for some distance, were well made and well kept. Free settlers had arrived in greater numbers since 1821. Many of these settlers, with capital resources, were taking up land grants in the Hunter Valley. A pattern of expansion by settlers north of Newcastle and Bathurst and south of Camden towards Goulburn and the Monaro was occurring during the second half of 1824. 63

   The society was stratified according to role, status and background. The Governor's powers were already changing in accordance with the varying nature of the colony. The colony was being governed under the Act of 1823, "An Act to provide for the better administration of justice in New South Wales and Van Diemen's Land and for the more effectual government thereof." This legislation marked a watershed in the colony's constitutional development towards representative government and away from the autocracy of the earlier governors. The 1823 legislation created a Legislative Council to consist of five, six or seven members appointed by the Governor. By December 1825 the councillors were the Lieutenant-Governor, the Chief Justice, the Archdeacon, the Colonial Secretary and three civilian non-officials. The four official members of the Legislative Council also constituted the Executive Council, which formally came into existence on 20 December 1825. The Governor presided over the Legislative Council and initiated legislation. He still had power to issue ordinances contrary to the will of the majority of the Council provided one councillor supported him. This Act also authorised the Charter of Justice, under which the Supreme Court of New South Wales was invested with the same status.

and jurisdiction as the King's Bench. Sir Francis Forbes, the first Chief Justice, was invested with check-rein legislative functions. He was assisted by government legal officers such as a Solicitor-General and an Attorney-General, as well as an elaborated system of lower courts including Courts of Quarter Sessions. Transportation and the assignment system were accepted facts of life but socially, the clash between emancipists and "exclusives" was bitter and intense.64

Governor Sir Thomas Brisbane greeted the news of the Company's formation as if a bright and unexpected light had burst forth on the infant colony. The corporation's proper development would enable the interests of New South Wales to be identified completely with those of the mother country. This was the happiest event which had ever befallen the colony. George Galway Mills, Registrar of the Supreme Court under the Charter of 1823, shared his feelings. The great prospects heralded by the formation of the Company would enable New South Wales to advance, with rapid progress, to a condition of the highest prosperity.65

For the most part, the exclusives' reaction was indicated through their acceptance of the 580 shares allotted to them. These socially eligible free settlers who opposed the admittance of the emancipists to full civic rights probably regarded the Company as a larger example of the type of plantation society they desired to see established in New South Wales. While it will be seen below that events during 1826 and 1827 were to change their attitude to the Company, only a few of them in 1824 had any hesitation about accepting shares. The following gentlemen to whom shares were allotted were representative of the exclusives' faction:


65 Brisbane to Smith, 11 November 1824, 78/1/1, pp.41-43; Mills to Manning, 11 November 1824, ibid., pp.37-38.

Three of these men were members of the judicial system. Forbes was Chief Justice, Bannister was Attorney-General, and Stephen was Solicitor-General. My inclusion of these three men as members of the exclusives faction may be a little sweeping but it should be remembered that the society was not as deeply polarised as it was to become after 1826. The basic division was between emancipists and exclusives and there could be no doubt which side included the judiciary, in spite of developing frictions. Nevertheless, their position was interesting. Saxe Bannister declined the offer as he saw a certain incompatibility between his exalted office and being a proprietor in the corporation. His feelings were not shared by Forbes nor by John Stephen.  

The position of Francis Forbes is especially curious because of his trenchant criticisms of the Company to Robert Wilmot Horton on 16 September 1826. Repeated claims have been made that Forbes would not have used his official position to criticise the Company while holding shares in it. While the reasons for this criticism will emerge more clearly below the position of Forbes and his shares needs to be clarified. This question has been debated strongly in recent years. The Sydney Morning Herald has indicated that the  

66 Encls. 7 and 8, Court to Committee, 5 July 1824, 78/9/1, pp.61-62.  
67 Ibid.  
68 F. Forbes to R. Wilmot Horton, 16 September 1826, M.L. A1819, pp.52-53.
first Chief Justice of New South Wales was a shareholder. On the occasion of the Company's bonus issue in 1964 this comment led to an extensive correspondence between the Financial Editor and C.H. Currey, the leading authority on Forbes. Dr Currey's concern arose from the difficulty of harmonising Forbes' public criticism of the Company during 1826 and 1827 with his possession of shares. Although the name Francis Forbes appears in the Company's early register of shareholders, Dr Currey claimed to have demonstrated that his name most probably referred to a nephew of the Chief Justice who was named after him. Dr Currey's biography of Forbes published in 1968 does not mention this subject, and he does not appear to have left material relating to it for publication. The Company's records are, however, quite clear on the point.

On 5 July 1824 the Court of Directors sent with their first despatch an enclosure containing a list of "gentlemen resident in the Colony, to whom shares have been allotted, viz.

Francis Forbes, Esq., Chief Justice... 25 shares." On 2 November 1824 Forbes wrote to the Committee as follows: "I beg to acquaint you that I will accept 25 shares offered me in the Australian Agricultural Company by desire of the Governor and Directors and that I will attend to the directions that you may give for the payment of the deposit and other instalments according to the regulations of the Company." By March 1827 Forbes had, it seems, transferred the shares to his two sons: David Grant Forbes held twelve shares and Francis William Forbes thirteen shares. Lack of evidence does not permit one to determine whether the shares were transferred before or after the Chief Justice's criticisms of the Company to R. Wilmot Horton on 16 September 1826. These shares were still held by the Forbes children in 1831. During 1837 Sir Francis Forbes, returned to England, arranged with the Court

71 Encl.8 in Court to Committee, 5 July 1824, 78/9/1, p.62.
in London to pay the arrears of instalments as well as the interest, "on the 25 shares of the Joint Stock of this Company, standing in the names of his Sons D.G. and F.W. Forbes."\textsuperscript{72}

The Company was, then, quite acceptable to the Governor, exclusives and judiciary. How did the emancipists faction regard the Company?

The news of the Company's formation was received with coolness by the Australian newspaper conducted by William Charles Wentworth and Robert Wardell in the emancipist cause. Both men had landed in New South Wales in July and begun publication of the Australian, the colony's first free newspaper, on 14 October 1824. Their immediate involvement in the political life of the emerging society was, then, still feeling its way towards articulate written form when a month later they attacked the Company.\textsuperscript{73} On the same day as it confirmed for its readers the death of Governor Lachlan Macquarie the paper presented a very important and interesting document. While noting the passing through Parliament of 5 Geo.IV cap.86, the Australian indicated its intention of inserting the remainder of the Act before offering some remarks on its probable effects in the colony. On 18 November 1824 an editorial was devoted to this "extraordinary piece of legislation". The corporation, it was alleged, was not designed to produce one benefit or remedy one defect. It would neither augment the capital nor the population but would raise up the very worst kind of monopoly. The editor warned the managers of the Company would lay their paws upon the best land they could find for their grant. The poor settler would be forced to fix his homestead along the boundaries of an immeasurable sheepwalk. If people could not keep the fingers of fraudulent or visionary speculators out of their pockets, they did not deserve the interest of the law to do it for them. Let the currency lads and lasses turn Arcadian shepherds and shepherdesses

\textsuperscript{72} Forbes to Committee, 2 November 1824, encl. in Committee to Court, 5 November 1824, 78/1/1, p.25; encl. A in Court to Committee, 13 March 1827, Macarthur Papers, M.L.A4317, p.13; Court to Parry, 14 October 1831, 1/16/2; Court to Dumaresq, 5 May 1837, 1/17.

\textsuperscript{73} J. Wicks, \textit{loc.cit.}, pp.5-6.
if they choose, with the crook in one hand and a turtle dove in the other, but, at any rate, let the inhabitants of New South Wales see something of the immense capital which was to draw a mine of wealth to the colony. 74

Their strongly worded oratory was scarcely a fair critique of the safeguards deliberately built into the Company's mode of operations by the Colonial Office and the recommendations of Commissioner Bigge. One suspects that the editorial was used basically as a convenient whipping post against which to lash the emancipists' main opponents, the exclusives. This suspicion is reinforced by Wentworth's previous clash in 1819 with the Macarthur's when he hoped to marry young Elizabeth Macarthur. Wentworth clearly suspected that the Company was linked with Macarthur's interests and he regarded Captain Macarthur as the leader of the exclusives faction. He was aware of Macarthur's earlier plans in 1803 to form a company and suspected the A.A.Company was in fact the realisation of these early schemes. Wentworth's suspicions were not altogether groundless as the early experience of the Company up to 1830 was soon to prove. The active role of John Macarthur junior and the strong backing initially given the Company by the Macarthur's certainly provided ample ground for fostering Wentworth's suspicions. The Court of Directors in 1827 strongly rebutted his charges and those of Francis Forbes that the Company was initiated by the Macarthur's as an extension of their own interests, but it will be seen there are grounds to suspect the motives of Captain Macarthur and his nephew Hannibal. 75

While the views of Wentworth and Wardell were clearly expressed in the Australian it is fair to infer that the emancipist class shared similar views of the Company. Peter Cunningham, a shrewd observer of the colonial scene in this decade, noted that the emancipist body formed the most useful and enterprising portion of

74 Australian, 4 November 1824, pp.2-4 and 18 November 1824, p.2.
75 Brickwood to Dawson, 22 June 1827, 78/9/1, p.192; Brickwood to Dawson, 18 December 1826, ibid., pp.153-55.
Robert Dawson, Agent of the Australian Agricultural Company
the community. For the most part their economic interests lay in fields regarded as socially non-acceptable by the exclusives with their pretensions to landed wealth. All the distilleries, most of the breweries, and the bulk of the mills and various manufactories were owned by the emancipists. These economic bases implied a strong interest by the emancipists in a British capital investment corporation engaging in coal mining and large scale pastoralism. There is definite evidence that people in Sydney and Newcastle in 1826 were strongly opposed to the Company operating coal mines and it is fair to infer this was, in part, emancipist feeling. The opposition which would come to the fore during the 1840's was already present in 1824 but was not yet fully organised. 76

It is reasonable to assume that John Smith and his colleagues knew little of the vexed emancipist-exclusives conflict which was developing strongly during the early 1820's. From their point of view they had supplied capital to a colony potentially rich in natural resources. Their submissions to the Colonial Office and ratification of subsequent agreements would, they anticipated, guarantee them long term returns and, at the same time, provide urgently needed developmental capital to New South Wales. This capital would provide the necessary impetus to establish the production of wool for export - a factor which was still only in its infancy in 1824 - and to introduce efficient, mechanical methods to the coal fields. The bulk of this thesis will examine whether their beliefs and judgements were justified by the Company's experience during its first quarter century of operations.

76 P. Cunningham, Two Years in New South Wales, (ed. D.S. Macmillan), Sydney, 1966, pp.252-53; Committee to Court, 15 September 1826, 78/1/1, p.334.
CHAPTER 2

SETTLEMENT AT PORT STEPHENS

Robert Dawson, Agent of the Australian Agricultural Company, stood on the deck of the York approaching Sydney Heads on 13 November 1825. As he surveyed the scene before him, Dawson would have thought back to the time over a year previously when he had been approached to become Agent and ahead to the next few years when the emerging, raw colony of New South Wales would present challenges and experiences quite different to those of past years in England.

Robert Dawson was 42 years old. He had been born at Great Bentley, Essex, the youngest son of Joseph Dawson. He was educated at Lindsay's Grove Hall School near Bow, whence he returned to Essex to farm his family estate. Married to Anne Taylor, Dawson remained at Bentley Lodge until 1821 when an agricultural depression forced him to Berkshire where he managed Becket, the estate of Viscount Barrington. He was working at Becket when young John Macarthur sought him out and asked him to become Agent. Dawson's testimonials were strong on every point: he was known and respected by all classes of persons as a man of integrity, prudence and sound judgement. His years of practical farming in Essex and at Becket had developed his skills in agriculture and taught him the importance of proper business habits. Such qualities, Macarthur knew, would be essential in the man selected to shape the destiny of the Company. On the more personal level Dawson was known and respected for his even temper and strict attention to his parental and domestic duties. He was closely attached to his wife Anne and his daughter Ellen, news of whose death in April 1828 would seriously disturb him and

1 Dawson to Court, 24 November 1825, 78/1/1, p.107.
imperil his judgement at a crucial time of decisions. As he stood on
the York and approached the settlement at Sydney Cove Dawson
reflected on the factors of distance and time separating him from
his loved ones. He realised one of his first tasks would be to build
a house in the Australian bush and prepare a domestic haven for Anne
and Ellen. Once his wife and children joined him in Australia he
would be able to establish a cozy hearth wherein he would find rest
from the onerous duties certain to be his lot in this new world.

Dawson's experience in agriculture had also given him some of
the blunt-mannered qualities so beloved of satirists like Henry
Fielding. Although his manner was somewhat abrupt he never intended
to give offence. Indeed, the shrewd businessmen on the Company's
General Committee of Management had frequently been gratified by
Dawson's frankness and his readiness to receive advice.²

Dawson's keen powers of observation and his warm personality
helped him broaden his experience of life during his period as
Agent. On the basis of his early experience in the colony Dawson
published in 1831 a remarkable book entitled The Present State of
Australia. In this eminently readable book Dawson's strong human-
itarian qualities shine through on almost every page. Many aspects
of colonial life in the 1820's evoked strong feelings from Dawson's
romantic personality but none more so than the two most despised
groups in the society emerging from the status of a gaol: the
Aborigines and the convicts.

Robert Dawson's attitude to the Aborigines was in contrast
with the standards of the day. He had many chances to see the
fatal impact being made on Aboriginal society by the European

² Article by E. Flowers on Robert Dawson, A.D.B., vol.1, pp.298-99;
John Macarthur jnr. to James Macarthur, 14 November 1824, Macarthur
Papers, M.L. A2931, pp.220-21; see, in particular, evidence
received in reply to inquiries respecting Mr Robert Dawson,
Macarthur Papers, M.L. A4315, p.183. For terms of Dawson's agree-
ment and salary, see 78/9/1, p.366.
settlers who were ruthlessly dispossessing them of their hunting grounds and destroying their sacred sites. Dawson knew that the customs and culture of the Aborigines were so little known, even amongst officials in Sydney, that the most absurd stories were sometimes circulated and believed concerning them. This general attitude to the indigenous inhabitants of the land wrung from Dawson's heart the sad realisation that whenever the colonisation of a country is commenced in the usual way, no means can be devised of preserving Aboriginal society from final destruction.

In spite of this grim assessment of the situation developing between European and Aboriginal culture in New South Wales, Dawson was determined to do his utmost to better relations between the two groups. When, a few months after the arrival of the York, Dawson had made his first settlement at Port Stephens he saw at first hand the deteriorating situation between the Worimi tribe and cedar cutters on the Karuah and Myall rivers. Complete misunderstanding was no doubt aggravated by the attitude of convict cedar cutters to Aboriginal women. The Aborigines, deprived of their fishing grounds along the rivers, responded in the traditional manner by attack. The cedar cutters retaliated with musket and ball.

Early in 1826 a group of cedar cutters on the Myall River murdered a young Aboriginal boy named Tom and hid his body. Robert Dawson heard of the crime and it was his persistence as Magistrate which brought the men to justice. One of the men was sentenced to be hanged. Governor Darling ordered that the sentence be carried out at Port Stephens where the execution would serve as an example to European and Aboriginal alike. Gallows were erected and preparations were in hand for the execution. Shortly before the intended execution a group of Aborigines staged a raid on one of the Company's sheep stations. This caused the suspension of the proposed execution lest the Aborigines interpret the hanging

as approval of their action. Given the fierce conflicts which developed during the next decades as squatters pushed further into the Aboriginal lands, it is possible to reflect that the story may have been different if, in 1826, a white man had been executed for the murder of an Aborigine. In the event, the first such execution occurred in 1838. Dawson regretted the cancellation of the first execution as he realised the vast wrong being done to the Aboriginals. During his years as Agent he cultivated a very close relationship with the Worimi around Port Stephens. He took a keen interest in all aspects of their culture, learnt bushcraft from them and employed them on the estates. The Aborigines played a very important role in establishing the initial settlement at Port Stephens and in helping the Company explorers and surveyors obtain a first hand knowledge of the bush. Dawson's humane and liberal attitude towards the Aboriginal inhabitants of Port Stephens was evident from the beginning. He found the Worimi friendly to his approaches. They also proved useful as guides, fishermen and messengers and in providing bark for hut construction. Dawson envisaged no mischief from them as long as they were employed on the grant. Dawson also showed fine initiative in giving names to places. To facilitate social intercourse with the Aborigines and also because the names were usually better, Dawson intended to retain Aboriginal names for rivers, brooks and places unless specific directions to the contrary were received. To this enlightened policy is due the retention of such place-names as Booral, Tahlee, Telligherry and Karuah. All in all, Robert Dawson claimed that he found the Australian Aborigines more humane and friendly than many of the colonists with whom he dealt in his official position.

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4 Ibid., pp.41-44, 252.
5 Dawson to Court, 24 April 1826, 78/1/1, p.291.
6 Dawson to Court, 4 February 1826, Ibid., p.143.
Robert Dawson's enlightened approach to the Aborigines alerted him, in turn, to that other, often despised, group of men in the emerging free colony: the emancipists and convicts. As New South Wales emerged from a strict gaol to the status of an agricultural and pastoral society founded on assigned convict labour, these men were being employed in the bush as shepherds, cedar cutters and mechanics. In these occupations they came in frequent contact with the Aborigines as the frontiers of settlement pushed out from the Cumberland Plain into the Hunter Valley, the Bathurst region and the Limestone Plains beyond Goulburn. Dawson believed many of these men had been brutalised by the harsh conditions of the convict system and would respond in time to humane, but firm, direction. He detected in many of the convicts an obvious desire to reform and to carve out for themselves a new life in the colony.  

Dawson was especially concerned about this group of men because of his official position. The Company's success would depend on the working relationship established between its system of management and the large group of convicts assigned to work on its pastoral estate. Dawson knew that within a very short time he would have ultimate charge of nearly 1400 convicts. His strong sense of humanity soon made him aware of difficulties associated with the administration of the post-Bigge convict system. Convicts were assigned to the estate at Port Stephens from the beginning of May 1826. Eleven convicts arrived on 4 May. They worked quite well. But the same could not be said of the 21 who arrived on 20 May. These were chiefly boys between the ages of fifteen and eighteen: mostly idle and troublesome. On the 13 and 20 July two batches of 52 convicts each were received from the secondary penal station at Port Macquarie. Among these were a few remarkably well conducted and able mechanics as well as a few other useful men - but four men quickly absconded into the bush. Dawson feared a frequent practice of bushranging. He also quickly formed an unfavourable opinion of the emancipists who numbered about forty and decided that the bulk of these men would need to be sent away from the estate.  

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8 Ibid., pp.302, 431.
9 Dawson to Committee, 1 August 1826, 78/1/1, pp.347-48.
had to take firm measures to try to secure full cooperation from a work force which was rather intractable. During May, five convicts were sentenced to fifty lashes apiece for refusing to work. In spite of this harsh beginning Dawson soon established good relations with the convicts. In general, he maintained a humane, but firm, control over the numerous convicts assigned to the estate and employed in land clearance, hut construction, shepherding and agricultural work.

Dawson soon became known as a fair and humane man by those who worked under him. These qualities were matched by his determination to succeed in the responsible work of establishing the Company. He faced tremendous tasks in these early days. With no experience of colonial conditions, Dawson prepared to carve out of the Australian bush a large agricultural estate geared to the production of fine wool. It would be his unenviable lot to find pastoral lands for large numbers of sheep, cattle and horses, to prepare land for the cultivation of maize, tobacco and potatoes, and to erect dwellings and stores for the numerous convicts to be assigned to the estate. He would need to test the suitability of colonial soils and pastures for the quality stock being introduced to Australia by the Company. One of his most important tasks lay in the breeding tests between colonial stock, to be purchased in the colony by the Company, and the stock arriving from England and Europe. It was, in short, a challenge to daunt the courage of a lesser man. Robert Dawson, a man mature in years and wise with experience, was confident that with prudence, as well as the help of the committee and John Macarthur, the Company would prosper.

His confidence was grounded in the provisions already made in the major areas of capital, livestock and workmen. The establishment of the Company represented the first significant flow of British capital into the colony. Capital was a factor needed to

10 See encl. in Dawson to Committee, 1 August 1826, ibid., p.369.
11 Dawson to Committee, 24 November 1825, ibid., p.109.
enable the colony to grow in any degree. The Company would advance Captain Macarthur's plans to make the growth and export of merino wool so large and important as to attract public attention and be an object of the highest national consequence. With the advantages of large capital and a grant of one million acres wool exports to British manufacturers would increase materially within ten or twelve years. In this way a very close bond would be developed between the colony and its mother country - a bond which would be strengthened with the passage of time.

A second reason for Dawson's confidence lay in the quality of the stock he was bringing to the colony. On board the York were twelve Anglo merino ewes as well as fifteen rams, four lambs and 313 merino ewes from the south of France. The Brothers, which arrived two days after the York, contained a similar cargo of 204 French merino ewes, 167 Anglo merino ewes and fifteen French rams. A loss of only eighteen sheep on the long voyage from England was an achievement in those early days when near total losses were still being experienced in the shipment of sheep. Robert Dawson also brought to New South Wales new breeds of cattle and horse. The York carried one Durham bull and cow, one Scotch Highland bull and five Scotch cows. These were the finest specimens of cattle introduced into the colony by 1825 and were valuable and of a very superior quality. The Brothers also contained three Cleveland


14 List of Stock & Passengers...Landed at Sydney, 78/1/1, pp.104-105; Statement of Sheep, Horses and Cattle...Landed in the Colony to July 1829, 78/9/1, pp.348-49.

15 Committee to Court, 19 November 1825, 78/1/1, p.95; Dawson to Brickwood, 25 November 1825, ibid., p.115.

16 List of Stock & Passengers...Landed at Sydney, ibid., pp.104-105.

17 Dawson to Brickwood, 25 November 1825, ibid., pp.115-16.
and four blood horses.  They were introduced by the Cleveland horse met with the decided approval of Captain Macarthur who had already done so much to improve the quality of colonial stock. These animals met with the unrestrained admiration of the people of Sydney. The great Durham cow and bull could not be matched in the colony. John Thomas Campbell, a gentleman of some consequence, said he would go on foot any day to see such a cow as the large Durham.

The quality of these sheep, cattle and horses contrasted more than favourably with stock already present in the colony. At a meeting of the Agricultural Society at Parramatta the previous year the best of the colony's stock had been on display. This display of horses, cattle and pigs was equal to any seen at county fairs in England. Although a finer collection of stock might be exhibited at Holkham or Woburn, the beauty of form of the Parramatta stock was striking. Yet the new breeds of Durham cattle and Cleveland horses being introduced by the Company were judged superior to other breeds already being raised.

This was even more so with the French merinos brought out by the Company. The quality of Australian sheep was not very high in 1825. At the Agricultural Society show there were no sheep of superior quality. Insufficient care had been observed with colonial sheep and for this reason the intention of the Company to exercise every care in introducing quality sheep was welcome.

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18 List of Stock & Passengers...Landed at Sydney, ibid., pp.104-105.
19 Dawson to Brickwood, 25 November 1825, ibid., p.115.
20 Ibid., p.118.
Once the stock were unloaded they were retained on the Government Domain and in the adjoining stables while preparations were made for their reception at Retreat Farm, a 600 acre property leased for their temporary use at Bringelly, between Liverpool and Macarthur's estate in the Cowpastures. After a short period the sheep were taken to Retreat Farm. The cattle and horses were transferred to Elizabeth Farm, Captain Macarthur's estate at Parramatta.

Dawson's third reason for confidence lay in the quality of his assistants. On the York and Brothers was the nucleus staff of clerks, wool-sorter, labourers, shepherds and artisans for the Company's initial settlement. Two officers accompanied Robert Dawson: Henry Thomas Ebsworth, clerk, and Charles Hall, a wool-sorter from Halifax. Three shepherds with various labourers and artisans made up the rest of the group. On the Brothers John Dawson, nephew of the Agent, was accompanied by a surveyor, John Armstrong; a Scottish shepherd, Andrew Telfer; and ten other indentured servants. Some of these men were accompanied by their wives and children. They were indentured for a seven year term of service. The bulk of these men had been chosen for their expertise and skills.


Lease of an Estate called the Retreat for Three Years, 1/15; Committee to Court, 19 November 1825, 78/1/1, p.96 and ibid., (postscript dated 29 November 1825), p.100; R. Dawson, op.cit., pp.4-5.
These were the men who would train the assigned convicts in pastoral and agricultural skills so essential for the Company's development of a large estate. After disembarking, these servants travelled overland in carts and waggons to Bringelly during a thunderstorm which did little to relieve their pangs of homesickness. 24

Once he had settled the servants and transferred the stock, Dawson set about his most immediate task: selection of the land grant. In this important work he depended on the advice of James and Hannibal Macarthur, James Bowman and John Oxley.

In relying so heavily on the advice of the committee and the Surveyor-General, Dawson was but fulfilling the spirit and letter of his instructions. This committee was expressly designed to aid him in such choices and control his expenditure of finance. By force of circumstances the committee had been reduced to three in number: James and Hannibal Macarthur and James Bowman. It was, as its critics alleged, a family committee of young men under the dominating influence of Captain John Macarthur.

Good relations between Dawson and this committee would be of crucial significance during the foundation years. Although Dawson became known as a fair and humane man by those who worked under him, his relations with men of power and position were to present him with many difficult problems. Notorious even among such company was John Macarthur. Macarthur had long since exemplified Governor Hunter's early assessment of him as 'being of a restless, ambitious and litigious disposition'. Since his return to New South Wales in 1817 Macarthur had, perforce, confined his activities to pastoral and agricultural affairs. The launching of the A.A.Company was interpreted by some factions in Sydney as a naked contrivance to further Macarthur power. Some persons thought that the establishment of such a large corporation would not only aid such established pastoralists but would entail the inevitable

24 List of Servants, with agreements and salaries, 78/9/1, p.96.
destruction of the industry of the smaller pastoralist and farmer.\textsuperscript{25} It was in this context that Dawson was to meet problems which would severely test his powers. On the level of personal contact with his committee of management Dawson would face many tangled administrative troubles. The passage of time would bring these factors to the surface. In the beginning, relations between the Agent and his committee were harmonious. All three members of the committee were interested in pastoralism and possessed of some business acumen.

James Macarthur was born in 1798 at Elizabeth Farm, Parramatta, the fourth child and fourth son of Captain John and Elizabeth Macarthur. After education and travel abroad he returned to New South Wales with his father in 1817 and devoted himself to administration of the Macarthur family's expanding estates. During this period his exertions as estate manager were more intense than at any later stage. He developed financial expertise and became a very sound book-keeper. As an estate overseer he was known as a vigorous and hard master. As chairman of the Company's colonial committee he was in a position to channel the fruits of this experience to Robert Dawson and advise him in building up the agricultural estate.\textsuperscript{26}

Hannibal Hawkins Macarthur, cousin to James, had been born at Plymouth, Devonshire, England on 16 January 1788. He had accompanied his uncle, Captain Macarthur, on the latter's return to New South Wales on 9 June 1805. Between 1805 and 1817 Hannibal engaged in various trading and farming activities, helping Elizabeth in looking after Captain Macarthur's merino flocks during the latter's long absence from the colony from 1809 to 1817. His 'factious and dissatisfied' nature and his leading part in the sordid Douglass affair at Parramatta in 1822 resulted in his removal from the magistracy, but did not hinder him from accumulating property and stock. His farming, pastoral and business affairs, however, flourished. He, too, had experience with which to aid Robert Dawson.\textsuperscript{27}

\textsuperscript{25} Article by M. Steven on John Macarthur, A.D.B., vol.2, pp.157-58.

\textsuperscript{26} Article by J.D. Heydon on James Macarthur, ibid., vol.2, pp.149-50.

\textsuperscript{27} Article by B.Nairn on Hannibal Macarthur, ibid., vol.2, pp.147-48.
James Bowman, third member of the committee, was born in 1784 the son of Edward and Ann Bowman of Carlisle, Cumberland, England. After a temporary visit to New South Wales in 1816 he came out again in 1819 to succeed D'Arcy Wentworth as principal surgeon. He took up his duties in September at Sydney Hospital. In 1823 he married Elizabeth, the second daughter of Captain John and Elizabeth Macarthur, whose dowry included 2000 merino sheep and more than 200 head of cattle. His request for land commensurate with his fortune was granted in 1824 and with additional purchases his estate, Ravensworth, in the Upper Hunter Valley, exceeded 12,000 acres. 28

These were the men to whom Robert Dawson turned for help as he tackled his first task: selecting land. It should have been possible to make a decision about the land by the time Dawson arrived, for the committee had received the necessary authorisation for a survey in November 1824. 29 They had immediately sought the advice of Allan Cunningham and John Oxley. 30 These two experienced men considered the Company's needs against the knowledge of land explored in New South Wales. Detailed knowledge of the colony was not yet extensive, but was sufficient for the Company's purposes.

After the crossing of the Blue Mountains in 1813 various expeditions had extended into the interior from the Cumberland Plains. George Evans penetrated 20 miles beyond Bathurst and, later, to the Lachlan River. In 1817 John Oxley pushed into the Lachlan swamps. The following year he followed the Macquarie River downstream and then turned towards the coast at Port Macquarie.

29 Court to Committee, 5 July 1824, 78/9/1, p.3.
30 Committee to Oxley, 1 November 1824, 1/12. p.2; Cunningham to Committee, 30 November 1824, 78/1/1, pp.61-1.
Between 1814 and 1824 men such as Hamilton Hume, Charles Throsby, James Meehan and Joseph Wild extended knowledge of the southern area around Bargo Brush, Bong Bong, Marulan and Lake George. During 1823 Captain Currie and Major Ovens penetrated to the Monaro. While the Sydney committee planned future operations Hume and Hovell were pushing even further south to Corio Bay. At the same time Henry Dangar was exploring the Upper Hunter eastward of the area penetrated from Bathurst by Blackman, Lawson and Cunningham. By late 1824 knowledge was confined to an area bounded roughly by a line from Fort Macquarie to the Liverpool Plains and the line from Wellington to Yass and thence to Moruya. Earlier coastal exploration had touched the entrances to the Macleay and Nambucca rivers. The entrances to such important rivers as the Clarence, Richmond and Manning were largely unknown. 31

John Oxley, because of his official position as Surveyor-General and on the basis of his own extensive journeys down the Lachlan and Macquarie water systems, was in a strong position to advise the committee. He rejected the land south of Sydney. These southern districts stretching from Camden to Goulburn, Lake George and Yass were too broken, too varied in soil quality and too European in character. Even if a good route to the interior could be found from the Shoalhaven, the Clyde or the Bega there were no small harbours on the coast. This elevated country on the southern tablelands and the Monaro was ill-suited for sheep; its temperature would not favour the growth of olives and grapes. Nor did Oxley recommend the extensive and valuable lands south and west of Bathurst: these lands were suited only to individual grazing holdings. The growth of these western districts across the Blue Mountains would be hindered by the difficulty of transport to Sydney. All in all, the Surveyor-General favoured the rich, extensive land west of the Hastings and above the Liverpool Ranges at the head of the Upper Hunter. This was land around the present Walcha, Nowendoc, Gloucester region close to the route travelled by Oxley six years previously.

General Topography of Lands under examination

See also Department of Lands Map in Back Pocket.
on his journey from the Castlereagh to Port Macquarie. 32

This opinion was supported by Allan Cunningham, the colony's most widely travelled botanist. He stated that after considering the suitability of different regions for wool growing he judged the unknown lands to the east of Liverpool Plains would be most suitable. Cunningham doubted whether the Bathurst, Cudgegong, Argyle, Lachlan or Lake George districts would be suitable for their extensive wool growing plans. Cunningham also suggested a second area in the upper western Hunter Valley but later withdrew this idea. 33

Faced with this advice from two experienced explorers the committee decided to focus attention on the lands between the headwaters of the Hunter and the secondary penal station at Port Macquarie. 34 Very little was known of this area between Henry Dangar's October route of 1824 to the head of the Dart Brook and onto the plains at Muck Hill and the line of Oxley's 1818 journey from Curlew across the Peel to the Cockburn Valley, Surveyors Creek, Walcha, Mount Seaview and the entrance to the Hastings. 35 Various factors favoured this region: the availability of water transport and the uncertainty as late as 1825 whether the finest wool could be grown on the coast or in the interior. 36 Oxley favoured two selections of land, one above the Hastings River and the other on Liverpool Plains. 37 From his view of the Plains

32 Oxley to Committee, 4 November 1824, encl. in Committee to Court, 5 November 1824, 78/1/1, pp.21-24.
33 Cunningham to Committee, 30 November 1824, encl. in Committee to Court, 22 June 1825, ibid., pp.61-62, 54-55.
34 Committee to Oxley, 23 June 1825, encl. in Committee to Court, 23 September 1825, ibid., pp.83-85.
36 Committee to Court, 1 November 1824, 78/1/1, p.3.
37 Oxley to Committee, 4 November 1824, encl. in Committee to Court, 5 November 1824, ibid., pp.21-23.
during the 1823 penetration of Pandoras Pass, Cunningham judged them too damp for sheep.\textsuperscript{38} Although Dangar had travelled some miles out on to the Plains in October 1824,\textsuperscript{39} the committee considered their distance from the navigable part of the Hunter River at Morpeth too forbidding.\textsuperscript{40} Transport as a factor in the decision was already proving crucial. The rapid occupation by free settlers of the rich Lower Hunter Valley lands between 1822 and 1824 precluded selection of a million acre block of land in this desirable region.\textsuperscript{41} It was against the background of these factors that the committee decided to concentrate on the unknown land between the Scone region and Port Macquarie. Against the background of pastoralism at that time this was a wise decision.

The committee had attempted to obtain a survey as early as November 1824, but it was not till January 1825 that Governor Brisbane received the necessary authorisation from Downing Street.\textsuperscript{42} And not till July did Oxley give instructions for the survey to Henry Dangar.

Henry Dangar was born in St. Neot, Cornwall. In 1821 he emigrated to New South Wales where he was appointed an assistant in the Survey Department. After preliminary work in the Argyle and Camden districts Dangar had been employed in marking out land grants in the Hunter Valley, exploring the Upper Hunter and surveying the township of Newcastle. James Macarthur and John Oxley

\textsuperscript{38} Cunningham to Committee, 30 November 1824, encl. in Committee to Court, 22 June 1825, \textit{ibid.}, pp.61-21.

\textsuperscript{39} Article on Henry Dangar, \textit{A.D.B.}, vol.1, p.280.

\textsuperscript{40} Committee to Court, 5 November 1824, 78/1/1, p.18.

\textsuperscript{41} Committee to Court, 1 November 1824, \textit{ibid.}, p.2.

\textsuperscript{42} Committee to Oxley, 1 November 1824, 1/12, p.2; Bathurst to Brisbane, 13 July 1824, \textit{H.R.A.}, s.1, vol.xi, pp.305-306.
judged him the most efficient surveyor in the colony. In the short space of four years Dangar had gained a wide experience of land and its usage but this had not given him any experience in sheep growing. His advice would be crucial in the decisions made by the committee and the Agent.

Dangar was instructed to proceed overland from latitude 32°19'30" S longitude 150°48' in a true northeast by east course to nearly latitude 31°8' S longitude 152°10'. This route was calculated to place him about twenty miles upstream from Port Macquarie. His return journey on an arc-like route would cover a course parallel to the coastline some fifteen or twenty miles inland. This would enable Dangar to examine the streams falling into the lakes and inlets discovered by Oxley in 1818. He was instructed to examine carefully the country and pastures around Harrington and Wallis Lakes.

On 9 August 1825 Dangar began the initial survey. With men and pack horses he rode up the route of the Old Scone Road to Kayuga and then followed up the Kingdon Ponds to Wingen and Bickham. After a slight excursion to the top of Weelihans Gap he rode up the course of Pages River past the present settlements of Blandford and Murrurundi. From Murrurundi he ascended the Dividing Range and rode into the valley named Doughboy Hollow by William Nowland in 1827. After travelling to Kankool, Dangar turned northeast across Chilcotts Creek to Sugarloaf Mountain and thence into the valley of Quirindi Creek. Continuing on this route he crossed the ridge between Snowden Mountain and Martins Range, crossed Middlebrook Creek and reached the Peel River, about four miles upstream of the present township of Nundle. From the Peel the group continued east across Nundle Creek and ascended the Great Dividing Range to Hanging Rock. After riding down Dangars

43 Article by N. Gray on Henry Dangar, A.D.B., vol.1, pp.280-82; encl. A in Court to Parry, 28 August 1829, 1/16.
44 Oxley to Committee, 22 June 1825, encl. in Committee to Court, 22 June 1825, 78/1/1, p.65; Oxley to Dangar, 30 July 1825, encl. in Committee to Court, 23 September 1825, ibid., pp.88-91.
Gully the party descended into the headwaters of the Barnard River. Dangar followed down the course of this stream to Corroboree Flat, Giro, Bretty and Knorrit Flat. From Charity Creek, about 25 miles inland from the coast, Dangar struck northeast via Strathcedar, Central Lansdowne and Lorne, behind the Three Brothers to Port Macquarie. After a hazardous journey, during which his horses died from exhaustion, Dangar reached the penal settlement on 24 September.45

News of this survey reached the committee in Sydney shortly before the arrival of the York. The survey was regarded as unsuccessful from a number of points. Firstly, the mountainous terrain at the heads of the Hunter Valley, Liverpool Plains and Peel Valley areas had forced Dangar to travel further westward than had been intended in the survey proposal. While there was some suitable land and pastures in each of these three regions it was broken up into small sections by the rugged spurs and ranges enclosing the heads of rivers and creeks. In view of the later history of the Company it was quite ironical that Dangar should have travelled across the head of the Peel Valley without seeing the broad, rich alluvial flats some few miles north of his route. Dangar's view of these flats was obscured by the tall hills forming the enclosed valley surrounded by the Peel and Great Dividing Ranges. Once he passed out of the headwaters of the Peel, Dangar struck the steep precipitous valley of the Barnard River which is as rugged as the rest of the Mount Royal Range. When his horses died Dangar was in the Wingham-Lansdowne region close to what he thought was open pasture land. It was on the

45 H. Dangar, Newcastle to Port Macquarie and country westerly to Hastings River, A.O.N.S.W., A.3.H.30. This map shows the route followed by Dangar between 9 August and 24 September but cannot be dated as 1825 except by references to J. Armstrong, Copy of a Map by Mr Dangar of his Journey from Booral to the River Manning & thence to Port Stephens in 1826, and H. Dangar, Map of the Country to the West and North West of the Grant of the Australian Agricultural Company, 24 September 1831, A.N.U.B.A. There is no official report of this journey in the A.O.N.S.W.
basis of this expectation that Dangar judged land suitable to the Company's purposes would be found along the lower reaches of the Barnard-Manning River. This impressionistic judgement tallied with information already supplied by John Oxley. On the basis of these two men's judgements the committee thought it would be wise to concentrate attention on the general area between the Mount Royal Range and the coast. Although Dangar had travelled across a broad cross section of land which had been, for the most part, very rugged and definitely unsuitable for a million acre grant of pastoral land, neither the committee nor Oxley could see any reason to change their previous opinion of the general region. The committee judged there would be ample pasture land between the northern river and Port Stephens some eighty miles to the south. Dangar's survey had merely narrowed the field and shown the need to move south of Oxley's 1818 route. Dawson could carry out a second survey of the selected region. 46 Thus, acting on the trustworthy advice of the committee and Oxley, Dawson made preparations for a survey of the Port Stephens area. This survey would begin as soon as the necessary arrangements had been made for men and stock at Retreat Farm. 47 The effects of hasty organisation were being felt. It was essential for sound development that a suitable site be chosen before the arrival of large numbers of stock and men. In assessing the wisdom of Dawson's choice for the grant careful consideration must be paid to the background to this first journey of Dangar. No previous writer has had knowledge of this initial journey and, hence, many unfair comments have been made about the background of the decision to settle at Port Stephens. Dawson had no reason to doubt the soundness of the advice given him. The committee could see little need to question the recommendations of the colony's most experienced surveyors.

Early in January 1826 Dawson travelled by the Lord Liverpool Packet to Newcastle. He was accompanied by Henry Dangar, John.

46 Committee to Court, 19 November 1825, 78/1/1, p.97.
47 Dawson to Court, 24 November 1825, ibid., p.112.
Armstrong and Thomas Cudbert Harington, clerk from the Company's Macquarie Place office. While awaiting the arrival overland from Retreat Farm, via the Bulga path, of John Dawson the Agent visited the McLeods at Luskintyre, some miles north of Maitland. He inspected land and stock in the Hunter Valley. This inspection enabled Dawson to obtain first hand knowledge of the richest and most important region in the colony. The Hunter Valley, by 1826, was already established as the garden as well as the granary of New South Wales. Following the arrival of his nephew with horses, Dawson and his companions swam the horses across harbour from Newcastle and rode up the sand dunes of the Stockton Peninsula. Near the northern end of this long beach they struck overland to the military outpost at Soldiers Point, a peninsula dividing Port Stephens into an inner and outer harbour. They rendezvoused at this point with a cutter lent them by Captain Francis Allman, Superintendent at Newcastle.\textsuperscript{48}

On 9 January, the colonisation of the Port Stephens region began when Robert Dawson sailed up the wide expanse of harbour and entered the Karuah River. For the next ten days Dawson and his associates examined the country around Booral, some of which was being cultivated by William Cromarty. Cromarty and his cedar cutters had already begun to make an initial settlement in the area. Dawson then returned downstream to Port Stephens to collect horses and men left on the north shore.\textsuperscript{49}

As the cutter entered the harbour near Sawyers Point and headed towards Fame Cove, Dawson was impressed by the appearance of land a few miles east of the Karuah entrance. The following morning Dawson and Harington examined the land between Yalinbah and Weepi. They were particularly taken with the picturesque area around Tarlee and Carabean. The thinly timbered hills descending gradually into undulating ground extending to the water's edge

\textsuperscript{48} Dawson to Court, 4 February 1826, \textit{ibid.}, pp.142-43.

\textsuperscript{49} \textit{Ibid.}, pp.143-44.
possessed many fine qualities: the rich flats would be suitable for kitchen and experimental gardens, some hundreds of acres were fit for cultivation, the surrounding hills could be used as sheep walks, the abundant beds of oyster shells offshore would supply lime for building and agriculture. The prevalence of fresh water, abundant supplies of fish and the proximity of a large harbour were other factors influencing Dawson's decision to make the Tarlee-Carabean area the initial settlement. Dawson returned to Booral to fetch supplies and men. He transferred men and provisions to Carabean on 24 January and arranged for the preparation of huts and shelters for the Retreat Farm servants.\textsuperscript{50} After a few days spent in examining McLeods Hills behind Carabean, Dawson returned to Sydney where his decision was approved and ratified by the committee.\textsuperscript{51}

Much of the criticism which has subsequently been levelled at Dawson on his initial choice tends to minimise, if not neglect entirely, two of the major factors influencing his decision to establish the base settlement on Port Stephens. These were the need to feed a large body of men and, also, to provide ready access to a harbour.\textsuperscript{52} Dawson's initial survey of the area convinced him of its suitability for the first need. The land would support gardens and suit stock for slaughtering purposes. It was, from this point of view, a wise decision. The only real criticism which can be sustained against his choice is that if he had ventured a little eastwards to North Arm Cove he would have found a deep bay much more suitable from a nautical point of view than the shallow waters lying off Tahlee. The steeper hills surrounding North Arm Cove would also have afforded the settlement better drainage.

\textsuperscript{50} \textit{Ibid.}, pp.145-47.

\textsuperscript{51} Committee minute book, 4 February 1826, Macarthur Papers, M.L. A4314, p.13.

\textsuperscript{52} Dawson to Court, 4 February 1826, \textit{Ibid.}, pp.145-47.
Second Exploratory Journey of Henry Dangar and Inspection
Journey of Robert Dawson, 1826
The wisdom of Dawson's decision to settle in the Port Stephens area received partial confirmation from the first detailed survey of the region to the north conducted during February. This survey revealed good prospects for extensive grazing of sheep and was thus a confirmation to Dawson that he had selected a site which would bring together harbour, agricultural and pastoral lands. Dangar, Armstrong and Harington spent most of February examining the long valley north of Booral and travelling through the centre of the region. After travelling north of Booral to the rich alluvial flats dominated by The Buchan, Dangar and his party continued as far as Doon Ayre along the bank of a river running eastwards. They then turned south past Gangat Hill and across Mogran Creek to Waukivory and Warranulla around the headwaters of the Myall River. Next they turned northeast over Martins Mount and past Mount Talawah to Farquhars Inlet on the coast. After marking trees near the inlet, Dangar returned inland to Purfleet and then turned south towards Port Stephens. From Mount Talawah the party maintained a southerly course through Wang Wauk and Coolongolook to Boolambayte Hill on the north shore of Myall Lake. After skirting around the western shore of the lake they turned east to Bulahdelah, thence south across Crawford River past Mount George to Carabean. In the course of this southward journey Dangar crossed the Wollamba, Macleans and Haldimands rivers flowing into Wallis Lake. 53 Dangar, Armstrong and Harington returned to Carabean on 24 February, the day Dawson

53 Committee to Court, 2 March 1826, 78/1/1, p.165; R. Dawson, _op.cit._, p.18. It was still thought that the river discovered by Dangar during his 1825 journey from the Hunter Valley discharged into either Cape Hawke or Wallis Lake. It was not until November 1826 that the settlers realised the Manning River, as Dawson named it, flowed into the sea through two outlets - the coastal "lagoons", Harrington and Farquhars Inlets, discovered by Oxley in 1818. See Dawson to Court, 4 February 1826, 78/1/1, p.147; R. Dawson, _op.cit._, pp.372, 208-209; J. Oxley, _Journals of Two Expeditions into the Interior of New South Wales_, London, 1829, Facsimile edition Libraries Board of South Australia, 1964, p.340; J. Armstrong, Copy of a Map by Mr Dangar of his Journey from Booral to the River Manning & thence to Port Stephens in 1826, A.N.U.B.A.
returned to Port Stephens in the brig Lord Rodney with the nucleus settlement. Dangar's survey was, in general, an exhaustive, detailed examination of the area. Once again no previous writer has mentioned it or commented on its influence in Dawson's decision to settle here. Dangar reported favourably on the land between Port Stephens and the Boolumbahtee River to the North. He even suggested boundaries for that portion of the grant.

During the first half of 1826 winter conditions confined activity to the area around the Carabean settlement. Nevertheless, Dawson was able to make short surveys towards Wallis Lake and around the Larpent River where he examined the soils and pastures. Dawson was convinced the hills between the Karuah River and Wallis Lake would provide good sheep walks but noted that the extensive flats were almost uniformly bad. This was land within the south east section of Dangar's initial survey. With the coming of spring Dawson hoped to make a personal examination of all land inspected earlier by Dangar.54

On 28 July Dawson informed the Colonial Secretary he wished to take a portion, if not the whole, of the grant on the north shore of Port Stephens. The Agent wished to select some of the unlocated land on the west bank of the Karuah as far south as the confluence of the Williams and Hunter rivers. He requested an official survey of the land by the Surveyor-General.55 There can be little doubt that Dawson's English background led him to incline towards a hasty decision to take all, instead of a part, of the grant in this coastal region. His English training had inculcated in him the importance of having salt water rivers close to sheep pastures. The Port Stephens area satisfied this criterion. It can also be seen that he tended to place too much trust in the reports and assessments of other persons, especially Henry

54 Dawson to Committee, 24 April 1826, 78/1/1, pp.292-94; Dawson to Committee, 1 August 1826, ibid., pp.343-45; Harington to Brickwood, 6 April 1826, ibid., p.236.
55 Dawson to Colonial Secretary, 28 July 1826, A.O.N.S.W., 4/6976.
Dangar. Dangar was undoubtedly the best surveyor in the colony but he had no direct experience, as yet, with sheep farming in the Australian environment. This fact, alone, should have made Dawson wary of accepting his advice too readily without personal examination of the land.

The colonial government did not agree to the grant extending as far south as the confluence of the two rivers, although Governor Darling did not object to the southern boundary extending from northwest of Port Stephens directly west to the Williams River. 56 Dawson appealed against this decision: such a boundary would deprive the Company of a tract of desirable country and deny uninterrupted access to Newcastle down the Coal or Hunter River where the Company's coal mines would probably be located. Dawson wished to have possession of Wangandeebah Creek, a navigable tide creek running from the west of the harbour to a point slightly south in a line of bearing from the confluence so as to reduce the distance by land carriage between Carabeen and Newcastle. 57

Mcleay asked Dawson to settle the claims of Cromarty and Shortt who had begun to clear land on the Karuah prior to the Company's arrival. 58 Obviously, the colonial administration thought by this time that the Company would take all its land in this coastal region.

Others, however, were anxious to avoid a hasty decision. During September Captain Macarthur was able to restrain the hand of authority in delineating the land grant. Macarthur, in particular, feared a hasty choice of land. As Oxley wished to

56 Colonial Secretary to Dawson, 17 August 1826, 78/9/2, p.201.
57 Dawson to Colonial Secretary, 2 September 1826, Macarthur Papers, M.L. A4321, p.1.
58 Colonial Secretary to Dawson, 31 August 1826, A.O.N.S.W., 4/6976.
raise a mortgage of £2500 on the Kirkham Estate, his property near Camden, Macarthur lent him £2000 from the Company's funds. Macarthur did this to keep the Surveyor-General friendly. This tactic enabled Macarthur to hold a mortgage on the Kirkham Estate which would be redeemed when the Surveyor-General's fees on the Company became due. Such a manoeuvre enabled the Company to bide its time in taking the grant. Macarthur trusted that "our monied directors" would see the importance of the move. While Macarthur ensured there would be no pressure on Dawson to make a hasty decision the Agent was making plans to carry out a closer examination of the estate. Survey would delineate the proposed boundaries and include an examination of pastures. It would be conducted jointly by the Company and the Surveyor-General's Department. James Ralfe, on behalf of Oxley, would trace the eastern boundary by undertaking an examination of the coastline. Robert Dawson and John Armstrong planned to conduct a similar detailed examination of the interior of the grant.

Dawson and Armstrong, accompanied by a team of Aboriginal guides and convict assistants, examined the long valleys between Booral and the Gloucester River during November. In the course of this journey Dawson bestowed place-names on various rivers, mountain ranges and valleys; most of these names have persisted to the present day as a witness to the enlightened outlook of this romanticist and humane personality.


60 Committee to Court, 15 September 1826, 78/9/1, pp.161-62.

61 R. Dawson, Journal of a Journey performed in the Bush, November 1826, 78/1/2, pp.13-31. Such place-names were derived either from the Court of Directors, as in the case of Macarthur and Tookie Ranges, Melville and Humes Craggs and Campbell Valley. In the case of Georges Valley, the feature is named after a close friend of Dawson. In other cases, the resemblance with the Cotswolds region of England, where the best wools were being turned into fine cloths was so strong that Dawson named some streams the Stroud, Avon and Gloucester.
As a result of his journey to the Gloucester and his close view of the Manning Valley, Dawson was anxious to learn more about the northern region. In February 1827 he commissioned William Cromarty to attempt an entry of the Manning River from the sea and to chart its channels. Cromarty made an unsuccessful attempt to enter Farquhars Inlet. He then walked along the coast to Port Macquarie. 62 This expedition made Dawson more determined to attempt another entry from the sea.

Pending an examination of the northern region on the Manning River, survey work began on the eastern and western boundaries of the proposed grant. During April the tracing of the proposed boundaries was proceeding as James Ralfe continued his survey of the eastern limit from Yacaaba Head to Wallis Lake. 63 Thomas Florance began a survey of the proposed western boundary. After completing a trace from the junction of the Williams River with the Hunter, Florance followed the former to a point near Underbank, close to the headwaters. He then pursued a due north line over the rugged terrain on the east of the Gloucester Tops and the Barrington Tops to the Manning River. In the course of this survey Florance discovered and named five rivers: Chichester, Niagara, Arundel, Alfred and Ella. 64 After striking the Manning near Brett's Florance traced it to within a point about eight miles west of Farquhars Inlet. This survey was completed about August. 65

62 Cromarty to Dawson, 7 February 1827, 78/9/2, pp.303-307.

63 Dawson to Committee, 30 April 1827, 78/1/2, p.63.

64 Today, these names are as follows: Chichester, Gloucester, Kerripit, Barrington and Cobark.

65 Florance to Oxley, 18 and 28 April 1827, A.O.N.S.W., 2/1536; Florance to Surveyor-General, Remarks on the appearance and quality of the country part of which being intended to form the Grant to the Australian Agricultural Company, ibid.; T. Florance, Field Book 266, A.O.N.S.W., 2/4900; B.T. Dowd, "Thomas Florance, 1783-1867", J.R.A.H.S., vol.58, pt.2, June 1972, pp.89-100.
Dawson continued with further examination of the estate. During April he was called upon to pursue three Aboriginals who robbed a hut on the estate and speared the hut-keeper. This enabled him to examine a section of the country around the western borders of Smith and Wallis lakes and also the line of country from Port Stephens to the head of the Myall River on a route different to that examined in June 1826. At the end of the month Dawson reported his general satisfaction with the region. The harbour provided a good port. The proposed grant was intersected by navigable waters which would be of great importance as stations and activity extended into the interior. The recent discovery that Myall Lake connected with Port Stephens through the Myall River was of some importance for future expansion. Dawson, still strongly influenced by his English background, favoured taking the whole of the grant in this coastal region.

His decision was confirmed in October 1827 by a successful expedition to the Manning River. This survey confirmed the existence of rich pastoral and agricultural lands on the northern region. During that month, an important expedition was active between Farquhar's Inlet and Grants Head near Bonny Hills. John Guilding and John Armstrong were engaged in an examination of the Camden Haven waterways system. After exploring around Camden Haven and bestowing place-names on various lakes and rivers flowing into the lake discovered by Oxley in 1818 these men, with the help of Richard Neave, the Port Macquarie harbour pilot,

66 Dawson to Committee, 30 April 1827, 78/1/2, p.65.
67 Ibid., pp.63-64.
68 Ibid., p.65. In the despatch Dawson states that Smiths Lake connects with Port Stephens through the Myall River. Because of the land peninsula between Smith and Myall lakes Dawson's reference must refer to Myall Lake. The confusion probably arose from insufficient knowledge of the different lakes in the region. James Ralfe was still tracing the topography of the region during this period.
successfully entered Harringtons Inlet and sailed along the branches and tributaries of the Manning River. This expedition was run in conjunction with a land party led by Alexander McLeod, overseer of the Booral station. McLeod rode from Booral in an easterly direction to Buladelah and thence northerly on the west side of the lakes to Farquhars Inlet. This expedition of survey and exploration provided the first successful attempt to enter the Manning from the sea. 

It resulted in a decision by Guilding to take up 4,000 acres of land on the north side of the river. The success of Guilding's expedition and the report by McLeod of abundant and good sheep pastures determined Dawson to establish stations along the south bank. Dawson intended to establish cattle stations at first so as to enable the superintendent on the Manning to explore the region. Later, when a route had been found from the Manning to the Stroud stations Dawson envisaged the rapid spread of sheep into the lands along the Manning River; these lands compared more than favourably with the rich Hunter Valley lands. In any criticism of his choice it must always be remembered that Dawson chose the land on the basis of land and pastures already known in New South Wales. Very few people had yet ventured away from the Hunter Valley, which was regarded as the best land in the known parts of the colony. Settlement of the southern tablelands was still in its infancy and few, if any, persons had pushed out onto the western plains.

By now Dawson was convinced he could choose the whole of the grant in this coastal region.

69 J. Armstrong, Journal of an Expedition to the River Manning, 26 October 1827, 78/9/2, pp.569-87; A. McLeod, Journey to the Manning by land, 4 November 1827, ibid., pp.669-72.

70 Dawson to Brickwood, 10 September 1827, ibid., p.378; Dawson to Committee, 1 December 1827, ibid., p.436.

71 Dawson to Captain Macarthur, 13 December 1827, 78/9/3, p.20.

72 Ibid.
Serious criticism must be laid at Dawson for his failure to inspect personally the north eastern quarter of the proposed grant. This was the land north of Bulahdelah and east of the mountain barrier separating it from the Vale of Gloucester. His instructions stated he should personally examine all the proposed grant before approving it. His trusting reliance on the favourable report of Dangar is, in part, understandable. Dawson had previously inspected portions covered by Dangar and had been satisfied with his recommendation. Dangar's report had been confirmed to some extent by the surveys of Ralfe and Florance and the expeditions of McLeod, Armstrong and Guilding. All these men had but a limited, if any, experience with sheep. This alone should have made Dawson cautious.

After Robert Dawson had indicated to the Colonial Secretary his decision to take the whole of the million acre grant in the Port Stephens region, plans were made for the formal ratification of the land. In mid-December John Oxley travelled to Port Stephens with James Macarthur and two Government land commissioners for this ceremony.

On 8 January 1828 the assembled group of Company officers and Government officials proceeded with a formal definition of the grant. On 26 December John Oxley and Robert Dawson had conferred on the subject of the grant. The surveys of Florance and Raife had shown the proposed area contained 1,600,000 acres. It was agreed the Company give up the surplus land on the western and southern boundaries and retain as a fixed reference the eastern boundary on the coastline.\footnote{Journal kept by James Macarthur at Port Stephens, December 1827-January 1828, 78/1/6, Entry for 26 December 1827. (This journal is spread over one hundred and forty two pages. References are made to the date of entry and not to the page numbers. See 78/1/6, pp.1-142.)} Such a decision necessitated
the marking of a new western boundary. Both parties agreed to these new boundaries. They agreed to sign the necessary documents the following day.\textsuperscript{74}

Robert Dawson and James Macarthur were both satisfied the grant was suitable for raising fine woolled sheep. Dawson had begun to entertain some doubts about the suitability of the land immediately adjacent to Port Stephens but was convinced the rest of the grant was suitable. This doubt about the land he knew best should have made him cautious. James Macarthur entertained no doubt on the general suitability of the grant. Macarthur was increasingly concerned about other aspects of current administration and should have been more cautious in proceeding with the formal transfer. Macarthur, however, was more worried about the alarming state of Oxley's health. During the fortnight at Port Stephens there had been constant fear of Oxley's dying in the bush. James Macarthur's anxiety to complete transactions between the Company and the Surveyor-General's Department was an outcome of his concern for Oxley's financial situation. Macarthur was aware of the fact that the £2001.5.0 owing to Oxley as a personal fee over and above money due to the Governor and Colonial Secretary upon the final delivery of the grant, would need to be cleared before Oxley's seemingly imminent death. It was this realisation that determined the participants in the land transfer to go ahead. Three years later Sir Edward Parry reported to the Court that this sum of money due to Oxley was the prime reason for haste in settling the boundaries of the grant.\textsuperscript{75} In view of subsequent developments, and especially in view of the prompt action in paying the money when Oxley, temporarily in a state of good health, presented his account on 22 February 1828, there seems little reason to doubt Parry's assessment.\textsuperscript{76} There is no

\textsuperscript{74} Ibid., Entry for 8 January 1828. A new western boundary was marked out in January and February 1828 by John Armstrong and James Ralfe. This line extended from a point eight miles due west of Booral and then ran in a due north line to the Manning River.

\textsuperscript{75} Dawson to Captain Macarthur, 23 December 1827, 78/9/3, pp.30-31; Parry to Court, 14 May 1831, 78/1/11, pp.64-65.

\textsuperscript{76} Committee minute book, 22 February 1828, Macarthur Papers, M.L. A4314, p.95.
way of knowing whether there is any link between the payment of this sum of money and the discharge of the earlier mortgage raised by Oxley on the Kirkham Estate. All that we can be certain of is that Oxley's state of health and a concern to clear payments between the Company and the Surveyor-General's Department brought about a decision to proceed with the ratification of the grant when there were indications that a policy of caution was demanded.

At Tahlee, on 9 January 1828, the formal ceremony of transfer of the million acre grant took place between John Oxley, Surveyor-General of New South Wales, and Robert Dawson, Agent of the Australian Agricultural Company. The deeds were formally witnessed by James Macarthur, senior member of the colonial committee, and two Government Land Commissioners, William Cordeaux and Thomas Cook. To mark the event the Lambton, anchored off Kokrenoyo, fired a salute of thirteen guns.  

A further examination of the background to this decision can usefully serve to pinpoint a fundamental weakness during these first two years of operations. This was the question of management.

When the Company was being planned in 1824 the Directors had foreseen the need for an efficient system of management. They realised, in particular, that Robert Dawson would need the constant advice and guidance of men experienced in colonial conditions. It would not be easy for a 42 year old man, long trained to English practices of agriculture, to adapt to Australian conditions. It was for this reason they appointed James Macarthur, Hannibal Hawkins Macarthur and James Bowman to advise and assist him.  

77 James Macarthur, Journal, 78/1/6, Entry for 9 January 1828; A Description of the Boundaries of the Lands intended to be granted to the Australian Agricultural Company, 78/9/1, pp.497-98; Oxley and Dawson to Governor Darling, 9 January 1828, 78/9/2, p.419.

78 Encl. 5 in Court to Committee, 5 July 1824, 78/9/1, pp.59-60.
men were just as important in these early years as Robert Dawson. The Agent and the committee were jointly responsible for policy decisions. Yet all the members of the committee were so preoccupied with their own private business and professional concerns in Sydney and other places that they usually rubber-stamped Dawson's decisions instead of examining their worth and recommending alternative courses of action. The path of sound management would have suggested frequent visits by the members of the committee to the Port Stephens Estate. During the first two years of operations James Macarthur visited the estate twice, James Bowman called in once and Hannibal is not on record as having seen it.

James Macarthur first visited the estate in May 1827 accompanied by Governor Darling's private secretary, Lieutenant-Colonel Henry Dumaresq. This was a one day visit. On the basis of this cursory visit Macarthur, like Dumaresq, was fully satisfied with the wisdom of Dawson's choice of land. When he next visited the estate in December 1827 Macarthur inspected the land along the western portion of the grant from Stroud to Gloucester and expressed strong satisfaction with it. He, like Dawson, was prepared to accept the evidence of Dangar, McLeod and Armstrong that the remainder was of a similar character. In fact, James Macarthur, during his association with the Company, entertained no doubt about the value of the grant.

James Macarthur's visit to formalise the land grant made him aware of serious unrest amongst the employees on the estate. During a fortnight of detailed inspection Macarthur found serious irregularities in the care of flocks, reports of illicit dealing in spirits by some of the indentured servants, serious dissatisfaction amongst the officers about alleged land grants on the north

79 Captain Macarthur to John Macarthur jnr., 12 September 1826, Macarthur Papers, M.L. A2899, pp.142a-143a, 144a-144b.


81 James Macarthur, Journal, 78/1/6, passim.
side of the Manning River and alleged disorders in the provision of supplies to John Guilding from the Carabean store. Alarmed at the obvious deterioration in a management situation which could only reflect adversely on himself and his family, Macarthur handed Dawson a detailed list of questions and asked for his comments. 82

The confused state of the Company's operations in December 1827 can only be understood if we examine the beginnings of the rude settlement established at Carabean in January 1826, explain the methods adopted by Robert Dawson and see the problems faced by him. This will enable us to assess the system of management adopted in these early years and to see where a number of basic mistakes were made.

As in all pioneering settlements Dawson faced three basic factors in communication, transport and security. To resolve the first of these difficulties he planned a land route across to the Hunter Valley. Not only did this give him access to an important region but it also linked up with the route established since 1819 to Windsor and the settled districts in the County of Cumberland. Dawson made plans for the security of the settlement by requesting a ticket of occupation for the area from the Colonial Secretary and seeking the transfer of the small military post of a corporal and four men across the harbour from Soldiers Point. 83 The question of police and magisterial jurisdiction in the area was one that would not be solved for some years but Dawson's request was in line with the Company's explicit policy of not seeking extra-jurisdictional privileges. 84 The transfer of the military post would enable

82 Ibid., entry for 8 January 1828.

83 H. Dangar, Index and Directory to Map of the Country bordering upon the River Hunter, London, 1828, pp.61-62; Dawson to Colonial Secretary, 17 February 1826, A.O.N.S.W., 4.6976.

84 Encl.2 in Court to Committee, 5 July 1824, 78/9/1, p.27.
the soldiers to continue their task of intercepting escaped convicts from Port Macquarie while guarding Carabean in case of need. As much as possible the Company worked in conjunction with Government facilities. Far from being an isolated and self contained unit apart from the colony of New South Wales the Company's grant would aid significantly in pushing forward the frontiers of settlement and in establishing the necessary appendages of society such as schools, churches, magistrates' courts, police stations and post offices. The Company's marking of a route from Booral to Patricks Plains also aided in opening up the important Williams River valley to settlers who quickly seized upon the advantages of being close to the Company.

While Dawson established the initial settlement and explored the country behind the north shore, John Armstrong carried out a hydrographic survey of Port Stephens harbour. Armstrong's survey established the safe passages from the harbour entrance to the settlement. From April 1826 Carabean could be reached easily by sea from Newcastle and Sydney. A cutter, the Lambton, was subsequently purchased to facilitate transport of men, stock and provisions between these centres.

By May 1826 Dawson was experiencing inevitable pioneering difficulties. Until April steady progress had been made at the settlement with the provision of dwellings and the erection of stores, yards and shelters. The emigrant free servants had overcome initial hardships and were contented. At the end of April

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85 Dawson to Colonial Secretary, 17 February 1826, A.O.N.S.W., 4/6976.

86 Dawson to Committee, 24 April 1826, 78/1/1, p.294; J. Armstrong, First Settlement of the Australian Agricultural Company, Port Stephens, N.S.W., A.N.U.B.A.; Australian, 13 March 1827, p.3; Slade to Brickwood, 26 March 1827, 78/1/2, p.42.

87 Harington to Brickwood, 6 April 1826, ibid., pp.236-39.
a total of ninety seven persons resided at Tahlee and Carabean. There were four officers, sixty eight indentured servants and their families, eight emancipists and seventeen Irish convicts from the Nanglis. Dawson awaited the arrival of large numbers of convicts to begin land clearance and the establishment of sheep stations. Within the first few months the Agent had capitalised on the advantages of a fine harbour and laid a secure basis for future, steady expansion. He had quickly established a nucleus settlement which enjoyed lines of communication with other regions by both land and sea.

This, it must be admitted, was a fair achievement. If Robert Dawson had built steadily and quietly on this foundation the Company would not have faced a crisis in its affairs at the end of 1827. The roots of this crisis can be found in Dawson's propensity to act hastily instead of building steadily and planning more carefully for the future and in his blind trust in both subordinates and the committee. In particular, he became so preoccupied with the pastoral side of the estate that he neglected the need for very careful methods of accounting and book-keeping to keep track of expansion in the various spheres of the Company's interest.

In the early months of settlement at Port Stephens, Dawson was fortunate enough to enjoy the assistance of Henry Thomas Ebsworth as accountant. In May, Ebsworth was transferred to the Company's Macquarie Place office when Thomas Cudbert Harington resigned as accountant. Harington returned to the colonial public service which was currently undergoing extensive reforms at the hands of Sir Ralph Darling. Ebsworth was replaced at Carabean by P.L. Fell, a convict. In August Ebsworth returned to England. His position at Macquarie Place was taken by George Milner Slade. The full effects of this lack of continuity were

88 List of Men, Women and Children, 24 April 1826, encl. in Dawson to Committee, 24 April 1826, 78/1/1, p.314.

89 Committee to Court, 9 May 1826, 78/9/1, p.101; Dawson to Committee, 30 April 1827, ibid., p.270; H.T. Ebsworth, Journal of a voyage from Sydney to England, 17 September 1826 to 27 February 1827, M.L. B852-3; Dawson to Committee, 4 August 1827, 78/9/1, p.370.
not felt greatly during 1826 but by April 1827 Dawson was so pre-occupied with the practical affairs of purchasing stock and establishing new stations that he dispensed with the previous practice of submitting detailed monthly reports to the Macquarie Place office. This was the very type of management difficulty which the Directors had anticipated in appointing the colonial committee. They did not anticipate that the committee would not live up to its role.

Almost from the day of Dawson's arrival in the colony the basic structure of management faltered because of the inability of the committee to fulfil its role. Both James Macarthur and James Bowman found that their own affairs prevented their devoting more time to the Company. If the enterprise continued to expand at the same rate there would be need for persons who could devote undivided attention not only to the direction but also to the inspection of the different undertakings. All the members of the committee, including Hannibal, were finding this role beyond their resources.

Thus, as early as September 1826 the basic management structure of close co-operation had foundered through the failure of the committee to fulfil its obligations of overseeing and advising the Agent. The Agent, because of his lack of familiarity with Australian conditions and tried pastoral methods, his preference for practical concerns and the very magnitude of the task facing him was in desperate need of the help of this committee. Without any doubt, serious neglect of duty must be levelled at the personnel of this committee. Their dereliction of duty which towards the end of 1829 compelled the Court of Directors to withdraw, collectively and individually, all authority vested in them, was a sign of fundamental management weakness during these early years.

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90 Committee to Court, 9 November 1827, 78/9/2, pp.391-92.

91 Captain Macarthur to John Macarthur jnr., 12 September 1826, Macarthur Papers, M.L. A2899, pp.146-146a.

92 Parry to Court, 23 December 1829, 78/1/9, p.39; "Hints for the Notice of Sir W.E. Parry", 78/9/1, pp.515-16, 529.
This weakness was exemplified very well in the case of stock management and in the question of the Company's proposed colliery at Newcastle. One of the reasons for Dawson's initial confidence in the success of the Company lay in the quality of the stock he was bringing to New South Wales. This was especially the case with the sheep. The Macarthur family had achieved some degree of fame for experiments with sheep breeding in the Australian environment. It was clearly understood that the committee's advice would be invaluable in this regard, yet almost from the very day the Company's sheep were landed at Sydney Cove and moved to Bringelly there were troubles in this vital department. This situation grew worse until the end of 1827 when all persons realised there was something amiss. Trouble had occurred in this crucial formative period on two levels: amongst the sheep brought out to New South Wales by the Company and amongst the sheep purchased in the colony.

Robert Dawson's initial imports of sheep on the York and Brothers had comprised, for the most part, flocks of merino sheep purchased in France and England. These were supplemented by subsequent imports from France and Saxony. Two shiploads arrived in 1826 and four in 1827. On 22 March 1826, the first of the Saxon merinos arrived in the Prince Regent. These valuable sheep from the flocks of Prince Lichnowski of Silesia arrived under the care of a young man well versed in the animal husbandry techniques and practices of Saxony, William Dutton. The voyage on the Prince Regent had not been without incident; the sheep suffered heavy casualties. Although twenty-five rams and two hundred and eighteen ewes had been shipped at Hamburg, seven rams and thirty-five ewes had died either from faulty penning or scab contracted after the ship called at Van Diemens Land. The surviving sheep, with the exception of 10 which died on landing in Sydney, were taken to Elizabeth Farm, and later to Retreat Farm.

At Bringelly they came once more under the care of Dutton. On 25 July James White had arrived on the Fairfield with the remainder of the French merinos purchased early in 1825. These merinos were transferred to Retreat Farm. White landed 57 merinos out of a total of 79 - the heavy loss being attributed to the condition of the sheep on embarkation from Cowes.

No further imports of sheep were received till January 1827 when the Australia brought a contingent of 15 Saxon rams and 202 Saxon ewes. The largest boost to the number of quality sheep took place in late 1827 with the arrival of the Frederick, Marquis of Anglesey and Waterloo. A total of 18 rams and 268 ewes from Saxony as well as 17 rams and 589 ewes from France arrived on these three ships. The total of sheep landed by the Company during the years 1825 to 1827 was as follows:

<table>
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<tr>
<th>Breed</th>
<th>Rams</th>
<th>Ewes</th>
<th>Lambs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saxon</td>
<td>51</td>
<td>653</td>
<td>43</td>
<td>747</td>
</tr>
<tr>
<td>French Merino</td>
<td>47</td>
<td>1145</td>
<td>4</td>
<td>1196</td>
</tr>
<tr>
<td>Anglo Merino</td>
<td>0</td>
<td>179</td>
<td>0</td>
<td>179</td>
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<td>2122</td>
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</tbody>
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94 Duplicate of Mr Dutton's Journal, while on board the "Prince Regent", 78/1/1, p.197; Committee to Court, 6 May 1826, ibid., p.179.
96 Slade to Brickwood, 26 July 1826, 78/1/1, p.265.
97 Statement of Sheep etc....shipped in Europe...to July 1829, 78/9/1, pp.348-49. For a detailed breakdown of figures and breeds, see Appendix B.
Dawson's earlier experience caused him to follow approved English practices of placing these sheep on what he described as "salt water runs". These were pastures subject to inundation at high tide. Instead of placing the sheep on the dry pastures north of Stroud, around the Avon and Gloucester river valleys, Dawson kept most near the base of operations around Port Stephens and along the lower Karuah River. Closer supervision of the Agent's actions during these early months would have prevented this mistake—a fairly obvious error for an English sheep man to make without prior experience of Australian conditions. It was up to the members of the committee to indicate to Dawson the wisdom of establishing a string of stations along the valley towards Gloucester instead of concentrating the bulk of operations between Carabean and Stroud. This they did not do till May 1827,\(^98\) and even then Dawson did not act on their advice.

A greater failure of management occurred amongst the sheep purchased in the colony. A close examination of the sheep purchased will enable us to appreciate subsequent events leading to Dawson's dismissal the following year and to substantiate recent conclusions about the nature of the Australian wool industry in the 1820's.

The Company had initially planned to import a number of high quality pure breed sheep and to cross them with large numbers of colonial sheep. In line with this policy, 1957 ewes and 417 lambs were purchased during 1826. The following year 5883 ewes, 10 rams and 52 lambs were purchased. In addition 697 wethers were obtained, probably to supply meat for the pastoral estate servants. This meant that during its first two years of operations the Company purchased 9016 sheep from colonial stock proprietors. These sheep were purchased from a variety of stockholders in the County of Cumberland, the Hunter Valley and the

\(^98\) Committee to Court, 30 May 1827,78/9/1, pp.226-27; Information given by Lt.-Col. Dumaresq, 30 November 1827, 78/9/1, p.405; Dangar to King/Extract, 28 October 1827, D.L.82/22, pp.130-31. (This is P.P. King's personal copy of R. Dawson, Statement of the Services of Mr Dawson), London, 1829. It contains King's comments on Dawson's hastily written text.
Bathurst district. During 1826 Chief Justice Forbes expressed serious concern that members of the colonial committee were selling sheep to the Company. Forbes considered this indicated a serious lack of integrity as members of this committee should not have been involved in the doubtful procedure of being both buyers and sellers. Out of the total of 9016 sheep purchased by the Company during these years 2598 were sold by Captain Macarthur, James Bowman and Hannibal Hawksins Macarthur. James Macarthur did not engage in this practice and, in the light of later events, it must be seriously doubted whether he knew of the quality of some of the sheep being sold. John Macarthur sold 184 wethers, 10 rams and 760 ewes; James Bowman sold 440 ewes while Hannibal Macarthur rid his flocks of 1204 ewes.

At the time Dawson considered he had obtained a good deal. By the beginning of 1828 he was not so certain. He alleged that poor quality sheep had been sold by James Bowman, a Mr O'Brien and Philip Thorley of Hunter River. Dawson also claimed that a number of old ewes from the flocks of John and Hannibal Macarthur, purchased in January 1827, had died since the lambing season in the autumn. Although seemingly sound on arrival at Port Stephens these sheep had quickly deteriorated when lambs began to suck them. Dawson concluded that these sheep had died from a disorder which was little else than the concomitant of old age, brought on prematurely by the effect of change in pasturage and climate.

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99 Abstract of the Cost of Sheep purchased in New South Wales ... on Account of the Australian Agricultural Company to the 23rd, April 1830, 78/1/9, p.290.

100 F. Forbes to R. Wilmot Horton, 16 September 1826, M.L. A1819, pp.52-53.


Dawson was dismissed from office shortly after these allegations and this served to sharpen his attacks not only against the Macarthur's but also against all the old settlers, exclusives and emancipists, engaged in pastoralism during the 1820's. He claimed that a buoyant market for livestock existed in the colony between 1820 and 1828 and it was created by the inflow of immigrants and the ready availability of capital. This market created an ideal situation for the older settlers to sell all their aged, culled and diseased sheep.\textsuperscript{103}

These charges must also be seen against the background of recent conclusions about the nature of sheep raising up till 1828 or even later. If Dawson's claims were correct it would seem that such profits as were made in sheep farming during the 1820's came from the sale of sheep to immigrants by the original owners, whose false claims concerning the profitability of sheep farming attracted the immigrants to contemplate a pastoral life. Is Dawson's suggestion of a virtual conspiracy by the older settlers little more than a preposterous accusation, an attempt to malign those who brought about his dismissal in 1828?\textsuperscript{104}

We are now in a position to substantiate Dawson's allegations. In 1832, for reasons which will be examined below, the Company conducted an exhaustive and detailed examination of its flocks. This Report concluded that the Company, during 1826 and 1827, had purchased a large number of old and rotten sheep. The Report's analysis was essentially a run by run examination of all the sheep on the pastoral estate at Port Stephens. It confirmed the allegations being made by Dawson at that time, and earlier, that he had been tricked into buying aged and diseased sheep. Unfortunately, the Report does not draw any conclusions about the identity of the persons who sold such stock to the


\textsuperscript{104} Ibid., p. 56.
Company. However, in view of the large proportion of the total purchases obtained from Captain Macarthur, James Bowman and Hannibal Macarthur and the specific allegations later made on this matter by Dawson to James Macarthur there can be little doubt that the tradition, long persistent in the Company, must be considered reliable. All the evidence points to the substantiation of Dawson's earlier claims. 105

The Report leaves little doubt that there is every reason to accept Dawson's strictures against the original settlers and to conclude that it was not until the early 1830's that New South Wales wool began to achieve any marked increase in quality. Dawson had hoped that his cross-breeding of high quality English and Continental sheep with colonial stock would achieve this end. This conclusion tallies with recent evidence that there was no great demand for Australian wool between 1819 and 1822, and not even, perhaps, as late as 1828. Very few pastoralists were producing substantial quantities of fine wool during these years. Most pastoralists were concerned with meat production and stock sales to immigrants and few, if any, were solely occupied with the production of fine wool. The 1832 Report leaves little doubt that the quality of colonial sheep for fine wool producing purposes was not at that time very advanced. During the two years of its large-scale stock purchasing activities the Company had chosen from the best colonial stock available. While it is admitted that Dawson was tricked as to their quality, there must be good reason to doubt whether the older settlers had yet developed fine wool producing sheep which could be considered high quality. In 1824 colonial wool was sought for its soft quality and blending character with the coarser wools of Britain and Europe. Little mention was made of its fine wool quality. The evidence of the Company's 1832 Report, the marked improvement in the texture of its clips after 1830, as well as the eagerness with which the Company's

105 Parry to Court, 11 September 1832, 78/1/13, pp.182-83 and enclosed report of committee, ibid., pp.218-78.
sheep were later purchased by colonists, all combine to lead to the inference that the Australian wool industry during the 1820's was basically geared to supplying the local market for sheep - a market created by immigrants and capital inflow, and supplying the local market for meat. The Company soon became a large purchaser of the available stock. These purchases involved the Company in the thick of colonial conflicts. The full effect of this involvement must, however, be considered against the background of events in New South Wales between 1825 and 1828. These events were both economic and political.

At the time of Governor Sir Ralph Darling's arrival in New South Wales the British Treasury had decided to eliminate the dollar currency in the colony by sending out British coins. As the dollars fell in value, they were exported in large quantities, leaving the colony temporarily short of currency. This economic slump combined with three years of severe drought during the years 1826 to 1829 to cause serious distress to pastoralists. While this recession gave Governor Darling an opportunity to introduce stricter governmental control over the colony's banks, it caused many pastoralists, hard hit by the drought, to sell their stock in an effort to retain liquidity. Many of these pastoralists hoped to find a ready market with the Australian Agricultural Company. The Company's insistence on buying only high quality stock soon brought it into disfavour with many pastoralists in the colony.

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This factor combined with an explosive political development to make the Company the object of strong hatred by many persons. Darling had become involved in disputes with Chief Justice Forbes, a leading colonial figure, over issues arising from the Sudds-Thompson affair. The effect of these developments on the small colony of New South Wales was fairly predictable. By May 1827 the colony was split into strongly opposed factions. Governor Darling and his staff, including Henry Dumaresq, became estranged from the judiciary led by Sir Francis Forbes. This split was paralleled by the social division between the emancipist faction and the exclusives. 109

As the recession developed during 1827 these social and political factors tended to interlock because of the activity of Robert Dawson and the committee in purchasing stock suddenly put on the market because of the prevailing drought. This had many repercussions. The emancipist faction led by Wentworth, Robert Wardell and Edward Smith Hall tended to see the Company as an extension of the exclusives led by Captain John Macarthur, his family and Archdeacon Scott. 110 Inevitably, those most opposed to the Company focussed their attention on its stock purchasing activities. James Macarthur regarded the duties of the committee as exceedingly unpleasant because of the abuse cast upon it by every one who made an offer of stock and had his tender rejected. Drought and depression made proprietors anxious to sell. Dawson was interested only in quality stock. 111

At the same time, Darling and his brother-in-law, Dumaresq, suddenly became very friendly to the Company. John Macarthur thought this may have been due to their rupture with Chief


Justice Forbes. Perhaps the Governor and Dumaresq had discovered it was prudent to cultivate a good understanding with so powerful a body as the Company. Dumaresq spoke in very strong terms to James Macarthur of the attacks of the Australian upon the committee. He said Chief Justice Forbes was the open enemy of the Company and made no scruple of abusing and turning it to ridicule whenever opportunity offered.

An example of the hostility was seen when on 1 June the Australian published another attack at the instigation of Forbes. It reported a heated discussion in the House of Commons on 5 December 1826 following a speech against the A.A. Company by Sir Charles Forbes. The paper did not then know the vital fact that the older Forbes had later withdrawn his criticism and apologised following a rebuttal speech by John Smith and Wilmot Horton. There can be little doubt that the Company was, by mid-1827, the object of envy and malice as its affairs progressed and as individual proprietors felt the pinch of the 1827 drought and depression. Dawson needed the careful guidance of the committee during these troubled and important months of 1827. He was a complete stranger to the cross current of these political events and, consequently, was in danger of playing into the hands of one or more of these factions. This guidance he did not receive.

The failure of the committee to live up to its responsibilities


113 James Macarthur to John Macarthur jnr., 28 May 1827, Macarthur Papers, M.L. A2931, p.16b.

114 Australian, 1 June 1827, p.2; James Macarthur to John Macarthur, 1 June 1827, Macarthur Papers, M.L. A2931, p.20.

115 Brickwood to Dawson, 22 June 1827, 78/9/1, p.192.

116 Report of Major Gillman, 10 April 1829, ibid., p.428.
is seen again in the question of the Company's coal mining plans. While Dawson was preoccupied with establishing pastoral operations the committee accepted responsibility for the coal surveys and prepared for the arrival of the colliery establishment. It was unable to devote sufficient time to the affairs of the Company and of course was soon neglecting the establishment of the colliery.

After Dawson's arrival the colonial committee went ahead with plans for a survey of the Newcastle coal deposits. Negotiations between the Court and the Colonial Office on coal-mining were being concluded early in 1826; in anticipation the committee had engaged John Busby, mineral surveyor, to examine the Newcastle area. The committee also prepared to purchase or build a wharf for the Company's coals in Sydney, preferably at Cockle Bay. Towards mid-February Busby submitted his report to the committee. Busby recommended the abandonment of the current Government pits in the town area, and the opening of new pits about half a mile southward. He recommended the importation of a steam-engine to work the pits and three ton waggons to run on rails made from colonial hard wood. These waggons would shift coal from the pit head to staiths on the south bank of the Hunter. Busby then proceeded to Carabean to examine reported discoveries of coal around the shores of Port Stephens and along the Karuah.

Throughout 1826 the committee anxiously awaited the completion of negotiations between the Court of Directors and Downing Street on the coal mines. Following Busby's surveys of Newcastle and Port

117 Court to Committee, 13 January 1826, 78/9/1, pp.122-23;
Committee to Court, 4 February 1826, 78/9/2, p.68.

118 Committee to Court, 4 February 1826, 78/9/2, p.69.

119 Busby to Bowman, 18 February 1826, 78/9/1, pp.91-93.

120 John Busby's Report on Coal, 27 March 1826, 78/9/2, pp.119-120.
Stephens the committee had delayed further action until authorised by the Court. 121 This delay was necessitated by some misapprehension by Governor Darling who wrongly thought the Company was to have a monopoly of coal mining and that the agreement between the colonial government and Thomas Winder was declared null and void. 122 This opinion was later shared by the colonial press which in early 1827 was only too happy to have an issue on which to lampoon the Company. 123 In July, Bathurst informed Darling he could grant the Company 500 acres in any location agreed upon by him with the advice of his Executive Council. 124 Legal difficulties had arisen in London concerning the coal grant. Downing Street had virtually agreed to allow the Company a mining lease for 31 years when the lawyers discovered there was no clause in the Charter allowing the corporation to operate as traders. This point was discovered as the Australia was preparing to weigh anchor with the coal establishment. Rather than delay its departure John Henderson was given a copy of Bathurst's despatch and authorised to take possession of 500 acres, as directed by Governor Darling. Henderson was instructed to confine operations to the working of mines and the selling of coal at the pit-mouth until the legal objections were overcome. 125 On 7 January 1827 the Australia, Captain Wilson, arrived in Sydney with the coal establishment and a contingent of Saxon rams and ewes. After obtaining a clearance in Sydney the

121 Committee to Court, 6 May 1826, ibid., p.98; Committee to Court, 15 September 1826, ibid., p.162.

122 Dawson to Brickwood, 6 March 1827, 78/1/2, pp.4-5; Darling to Hay, 16 March 1827, H.R.A., S.1, vol.XIII, p.184.

123 Sydney Gazette, 22 March 1827, p.2.

124 Bathurst to Darling, 26 July 1826, A.O.N.S.W., 4/2676.2.

125 Coal Mines at Newcastle, N.S.W., 78/9/1, p.531; Brickwood to Harington, 26 July 1826, Macarthur Papers, M.L. A4316, pp.131-33.
ship sailed to Port Stephens to discharge its cargo. 126

John Henderson brought to New South Wales the first group of skilled coal miners: an engine-smith, a carver, a brakeman, a sinker and a collier. A new era was opening in colonial coal mining, an era which again indicated the important role being played by the Company in the opening up of the colony's economic potential. After leaving the bulk of their equipment in North Arm Cove, Henderson and his men began a closer examination of the coal deposits surveyed by Busby. 127

During March Henderson completed his survey of the coal deposits. He reported very favourably of the field at Newcastle. He did think, however, that the bad harbour entrance at Port Hunter could be a hindrance. Henderson had also found cannel coal on the banks of Lake Macquarie but judged that as the rocks around Port Stephens were of a primitive nature, there was no chance of finding coal close to the Carabean settlement. Henderson also examined coals on the Parramatta River. He recommended to the committee the desirability of boring there for coal. 128 Darling still showed some opposition to the Company operating mines on the Newcastle field. He declared his intention of opening the mines to the public. Rather than compete with the government mines at Newcastle the committee judged it better to open mines at Parramatta. 129

126 Sydney Gazette, 9 January 1827, p.2; Slade to Brickwood, 5 February 1827, 78/9/2, pp.215-16; Australian, 10 January 1827, p.3; Coal Mine Establishment, 78/9/1, p.398.

127 Henderson to Brickwood, 24 March 1827, 78/1/2, pp.33-37; Dawson to Brickwood, 6 March 1827, ibid., pp.4-5; Coal Mine Establishment, 78/9/1, p.398.

128 Henderson to Brickwood, 24 March 1827, 78/9/2, pp.239-44.

129 Committee to Court, 27 May 1827, 78/9/2, pp.239-44, 314-17.
Boring operations on the Blaxland estate at Parramatta soon proved unsatisfactory so Henderson planned to shift his apparatus across river to the opposite side where the strata changed in appearance. At the same time, he submitted to the committee estimates of expense and probable profits if operations were to begin at Newcastle.

By the end of May the committee had decided, rather precipitately, to break up the coal establishment. Legal doubts about the Company's right to work coal mines at Port Jackson and Parramatta and opinions that it would be inexpedient to work the mines anywhere under existing circumstances were factors in this decision. Henderson judged later the population of Sydney and Parramatta would scarcely use sufficient coal to repay the corporation's capital outlay even if it possessed a monopoly of the market. The reported discovery of a rich seam of coal near the Ganges River in India seemed to weaken considerably the argument for an export trade in coal. Darling offered the Company every facility for opening mines on the Hunter but stated it was not his intention to discontinue working the Government mines. The committee decided it was impolitic to work mines in opposition to the Government. This opinion was confirmed two days later in a long conversation between James Macarthur and Henry Dumaresq.

130 Henderson to Committee, 13 May 1827, 78/9/1, pp.333-34.
131 Henderson to Committee, 8 May 1827, ibid., pp.325-30.
132 Ibid., p.18b; Captain Macarthur to John Macarthur jnr., 28 May 1827, Macarthur Papers, M.L. A2899, p.170b; Committee to Court, 26 May 1827, 78/9/2, pp.313-17.
133 Henderson to Committee, 8 May 1827, 78/1/2, pp.186-95; Henderson to Committee, 13 May 1827, ibid., pp.198-99; Captain Macarthur to John Macarthur jnr., Macarthur Papers, M.L. A2899, p.170b.
134 Committee to Court, 26 May 1827, 78/9/2, pp.313-17.
Yet the real reason lay in the refusal of the committee to live up to its responsibilities in pushing the issue with more determination and in its reluctance to see the Company involved in coal mining. It was up to the committee to push the case vigorously with Darling. Governor Darling misunderstood the original negotiations between the Court and the Colonial Office: one of Sir George Murray's assistants had failed to send out the necessary documents. If they had been really interested the committee would have realised this from their discussions with him. They were not interested. Correspondence respecting the mines often lay neglected on the desk at Macquarie Place. As late as May 1827 the committee had not made an application for the authorised 500 acres. The only subsequent minute was that of November recommending the Government to take over the miners' agreements. Barton, the secretary-accountant, wrote to the Court that the committee had not followed up instructions from London on the matter; the earlier recommendations of Henderson for the Company to take possession of the coal field had been ignored. There was definitely obstruction on this matter by the committee. This was not made certain until Governor Darling received Murray's instructions in January 1829. Murray's despatches stated clearly that some misrepresentation had gone from Sydney to London about Governor Darling's attitude to the venture: not only did he wish to retain the working of the mines on account of Government but he impeded the Company's progress. It was alleged Darling delayed giving the Company possession of 500 acres of the coal field at Newcastle. This latter impression was quite incorrect. The committee had never made an application for the grant.

138 Committee to Court, 26 May 1827, 78/1/2, pp.176-79.
139 Committee Minute Book/Extracts, 27 November 1828, 78/9/3, pp.341-42.
140 Barton to Brickwood, 26 January 1829, 78/9/3, pp.338-39.
The overwhelming impression one must form from this examination of two major problems - selection of land and management - faced during the first two years of the Company's operation is that undue haste laid the basis for long term troubles. All these problems resulting from haste could have been avoided if the colonial committee had lived up to its responsibilities of supervising the Agent's activities more carefully and given him more advice and guidance. Robert Dawson had been expected to do too much with too little assistance. He had chosen land following the seemingly sound advice of the most experienced counsel and had built his initial settlement on proven English practice. Judged against this background it is difficult to avoid the conclusion that Robert Dawson placed far too much trust in his subordinates and in the committee. On the other hand, we have seen that the committee failed seriously to live up to its obligations.

The Company had been founded on the premiss of a guaranteed supply of convict labour and during the first two years had received its due allocation. The Company had planned its operations on the model of planting English capital, stock and skills into a colonial environment. The management structure had been planned to ensure the correct adaptation to a new land. But during the foundation period from the arrival of the York to the definition of the original grant this linch-pin of proper management was missing. Policy decisions devolved almost totally upon the Agent at Port Stephens and the Macarthur committee failed seriously in its supervisory function. These first two years of troubles culminated in the dismissal of Dawson, to which we now turn.
CHAPTER 3

THE DAWSON AFFAIR

Robert Dawson was dismissed from office as Agent in April 1828. The reasons for this dismissal are complex but they can be pruned down to two basic factors: the inability of Dawson to implement strict business methods and the decision of Captain Macarthur to cover up his own shady dealings in sheep. It will be argued that the first factor need not have led to Dawson's dismissal but once he defied the committee over the need for better methods of accounting and refused to curtail expenditure he provided Macarthur with a ready made excuse to engineer his dismissal. For a time Macarthur tried to redeem the situation but then abandoned the corporation to its fate. The Company survived this crisis and endured till the arrival of a Commissioner from England.

We have seen above that by May 1827 colonial New South Wales had become a divided society and that the Company, through its stock buying activities, was closely identified with the exclusives faction associated with the Macarthur family. During the winter months of 1827 the Company continued to purchase large numbers of stock as smaller proprietors sold in an effort to beat the prevailing drought and recession. The inability of Dawson, through the earlier breakdown of management structure, to keep close control over these purchases enabled a number of proprietors to sell him old and diseased sheep. A proper system of administration would have forestalled such a situation.

The failure of this administration began to worsen in September 1827 when Dawson summarily dismissed William Wetherman over his

1 Full details of the sheep purchased during these months are included in the complete list of sheep bought by the Company in New South Wales between February 1826 and April 1830. See Appendix C.
criticism of the management system. Wetherman, the accountant at Port Stephens, had been appointed to this office in an effort to bring order into the accounts system which had become confused following the earlier resignations of Thomas Ebsworth and T.C. Harington. Although the basic management link between the Agent and his colonial committee had proved to be weak as early as September 1826 it was not till the period April-September 1827 that it broke down almost completely. During this period Dawson's failure to submit detailed monthly reports, combined with the committee's inability to live up to its responsibilities, resulted in a flurry of unco-ordinated activity centred on the large scale purchasing of sheep, cattle and horses from colonial stock proprietors. Some stock was purchased in the Hunter Valley, some around Parramatta and others were bought in the Bathurst district. Between June and the end of November some 3768 sheep were purchased at a total cost of £13,962 from such persons as Thomas Icely, George Rankin, John Oxley, Samuel Marsden, John Coghill and Edward Close. The only purchase made during these months from a member of the committee was a total of 604 wethers from Hannibal Macarthur. These cost £2460. Some were purchased on orders approved by the committee, but others, such as those bought from Edward Close, Philip Thorley and Alexander McLeod on the authority of Robert Dawson using Alexander McLeod - one of the sellers - as agent, were not. Unfortunately the surviving lists do not state who purchased most of this stock for the Company but circumstantial evidence supports the claim that most were purchased by Robert Dawson. Some were also purchased by his nephew John and a few by the committee. This activity took place at a time when there was a need to prepare for future arrivals of men and stock from England. There was very little planning for future operations. It was against this background that Wetherman's dismissal was to have wider repercussions for he had begun to introduce a clear system of accounting into operations on the Port Stephens estate. His suspension could scarcely have come at a more inconvenient time. Rapid expansion needed to be kept in check

2 See Appendix C; Statement of Alexander McLeod, Esq., 22 March 1828, 78/9/2, p.691.
by efficient book-keeping, good accounting and regular reports. Dawson was feeling harassed by this hasty expansion and was urged by Captain Macarthur to develop the pastoral estate at a slower rate.\(^3\) This he did not do. The effects of the earlier breakdown of management on the more general level of Agent and committee, and accordingly, of committee and London Office now became apparent. During October and November three ships, the *Waterloo*, *Marquis of Anglesey* and *Frederick*, arrived from London with large numbers of men and stock for the pastoral estate.\(^4\) The directors, presuming that their colonial system of management was functioning well, sent out 38 servants with at least 23 family groups. The arrival of such a large number of men, women and children imposed considerable strain on the limited accommodation facilities at Carabean. By the end of December, John Dawson spoke of a growing discontent among the indentured servants. The arrival of these men and a sudden increase in the number of quality Saxon and French sheep requiring specialised attention presupposed a well ordered and established settlement capable of ready and harmonious assimilation. Such was not the state of the Carabean settlement in November 1827. Robert Dawson's constant trips away from Port Stephens on business had permitted the development of irregular practices and loose discipline. The arrival of these ships at shearing time, and at a stage when arrangements were being made for the final delineation of the grant, was to reveal the weaknesses in Dawson's system of administration. It was at this time that Dawson's administration was subjected to close scrutiny.

The Court of Directors in London had been shaken by the spectacular fall of many investment corporations and was determined that the Company would not fall a victim to the trend which strongly reminded business men of the South Sea Bubble experiences of the

\(^3\) Captain Macarthur to Dawson, 12 January 1828, 78/9/3, pp.31-32.

\(^4\) Sydney Gazette, 17 October 1827, p.2; Australian, 7 November 1827, p.3; Committee to Court, 9 November 1827, 78/9/2, p.391; Committee to Court, 18 December 1827, *ibid.*, p.401.
previous century. There can be no doubt that John Smith, Governor
of the Company, must take the credit for this realism. The Company
would not have been launched but for the interest of such an
intelligent and lively man. It was John Smith who, avoiding disaster
in the banking collapse of 1825, went about, according to one admirer,
like a 'beneficent genius in a fairy tale' not only promising
impossibilities, but 'always performing them'. 5 Smith was the man
responsible, with Hart Davis, for appointing William Barton, a
painstaking secretary-accountant. In their terms of appointment
the directors spelt out to Barton that the prevailing causes of
failure of modern speculations had been a profusion of expense, and
an inattention to accounts. 6 The addition of Barton to the Macquarie
Place Office soon resulted in a close assessment of the accounting
system as well as a detailed examination of the sheep department
requested by James Macarthur.

Dawson's instructions from the Court had emphasised the need
for orderly accounts and regular reports, but from the 30 April
to 1 December 1827 he had been so preoccupied with business that
no detailed account of proceedings had been submitted to the
committee. 7 James Macarthur, as chairman, was making a reasonable
request when he asked for a detailed report of the estate, but
especially of the sheep department. Macarthur was convinced that,
since his visit in May 1827 sheep losses had been heavy. He
requested a detailed report of the number and type of sheep, with
an abstract of increases and decreases since 30 April. The report
should state, as far as possible, the diseases and causes of
diseases. Macarthur also asked for a detailed account of the
current system of management in the sheep department. 8

5 Eddy, op.cit., p.134.
6 Despatch of the Directors upon the appointment of an Accountant,
June 1, 1827 as quoted by (W. Barton), The Affairs of the Australian
7 Copy of Instructions to Mr Dawson, 3 June 1825 and Court to Dawson,
3 June 1825, encl. in Court to Committee, 3 June 1825, 78/9/1,
pp.93-106; Dawson to Committee, 1 December 1827, 78/9/2, p.427.
8 James Macarthur to Dawson, 8 January 1828, ibid., pp.451-53.
Something was obviously wrong in this vital sector. In his report on 1 December, Dawson indicated his intention to decline further purchases of ewes. He wished to test the suitability of climate and soil. During the year he had attempted to select sheep younger than those purchased in 1826. Dawson had also decided to move all flocks from the vicinity of Port Stephens. Stations would extend twelve miles beyond Stroud to Campbell Valley. The lamb flocks, when weaned, would extend from Campbell Valley towards the Gloucester and the Manning rivers. Dawson calculated upon several advantages from this arrangement. Sheep stations would run in a straight line. In addition to facilitating inspection and supply this would open a line of communication with a most important region at no additional expense. So far as he could judge from comparisons with country around the Cowpastures, Bathurst and the Hunter Valley, there was no finer soil and none better fitted for sheep of all types than the districts from Stroud to Gloucester. A dairy would be established at the Gloucester to aid in the rearing of lambs.

While Dawson was making these plans, old Captain Macarthur wrote giving him advice. Macarthur had often expressed anxiety to the Agent on too rapid and unconsolidated expansion and on 12 January 1828 expressed fear that stock might be increased by purchase at a rate which would far exceed the means of care and superintendence. Macarthur well knew that proper care and superintendence was indispensable for securing a successful and profitable result from the possession of sheep. He expressed apprehension lest any immediate addition to flock numbers prove injudicious and unsafe. He hoped Dawson would not feel disappointed if he declined to sell sheep to the Company in 1828. Macarthur looked forward to the expected arrival of John Dawson at Camden to observe the system of sheep management because he believed this visit would prove beneficial to the younger Dawson and be advantageous to the Company. This letter, marking the last of a series

9 Dawson to Committee, 1 December 1827, ibid., p.428.
10 Ibid., pp.429-32.
11 Captain Macarthur to Dawson, 12 January 1828, 78/9/3, pp.31-32.
between Macarthur and the Agent, does not indicate any animosity or hard feeling between the two men. If anything, it indicates a natural apprehension by Macarthur about ordered progress and the system of management currently being exercised in the sheep department.¹²

In Macquarie Place, early in 1828, the committee had begun to show much more activity. On 15 January the committee attended to various business matters but held over till the following day Dawson's 1 December letter on the sheep department.¹³ On 16 January the committee read and considered Dawson's report. This had been submitted but not discussed at the meeting of 17 December. The committee then passed various resolutions closely affecting Dawson. No reply would be made to Dawson's December report until the committee received his reply to a letter handed to him on 8 January by James Macarthur. Dawson was asked to forward his answers as early as possible. He was particularly urged to provide the minutest information as to the mortality amongst the sheep stock. Dawson was also asked to transmit copies of his communications to the Court between April and December 1827.¹⁴ Barton's report on the current state of the Port Stephens accounts was then read. The committee decided to delay adopting his system of keeping the books until Barton submitted a report on the system of accounting laid down and partially carried into effect by Wetherman prior to his removal in September.¹⁵

On the last day of January, Dawson submitted to James Macarthur

¹² For copies of this series of letters between 30 September 1827 and 12 January 1828, see 78/9/3, pp.1-32.

¹³ Committee minute book, 15 January 1828, Macarthur Papers, M.L. A4314, pp.75-76.

¹⁴ Ibid., pp.79-80.

¹⁵ Ibid., pp.80-81.
a detailed reply to the questions of 8 January. This report, full and candid, marked a turning point in Dawson's relationship with the committee. It was scarcely the type of report designed to win him a place of endearment because it made allegations about the poor quality sheep sold to the Company by James Bowman, Mr O'Brien and Philip Thorley of Hunter River. In many ways Dawson's report was incomplete. It virtually ignored many crucial questions. In stating there was nothing more to be said about the system of management beyond what had been said in his December report Dawson was courting a strong reaction. This was the very point which had worried Macarthur. The committee now had ample cause to wonder whether Dawson appreciated the need for changes in his system of management.

One comment in this report raised serious doubts about Dawson's diplomacy. The Agent stated that a number of old ewes from the flocks of John and Hannibal Macarthur, purchased in January 1827, had died since the lambing season in the autumn. Dawson concluded that these sheep had died from a disorder which was little else than the concomitant of old age, brought on prematurely by the effect of change in pasturage and climate. He had touched upon an issue which would have wide repercussions and one on which Captain Macarthur's dominating personality would brook no criticism. At the same time, Dawson showed again his naivety in a political situation.

On the same day Dawson informed the committee that he had received no official explanation of their failure to proceed with an advised purchase of sheep from Captain Macarthur. Dawson feared the Company's interests would suffer if these valuable flocks were  

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16 Dawson to James Macarthur, 31 January 1828, 78/9/2, pp.463-74; Replies of William Barnes, head shepherd, to detailed questionnaire, 30 January 1828, ibid., pp.673-78.

17 Dawson to James Macarthur, 31 January 1828, 78/9/2, pp.465-66. This report also contains marginal comments by James Macarthur indicating his dissatisfaction with many of Dawson's replies.
not purchased. The occupation of the Tulligherry district and a further recent allocation of convicts provided a favourable situation for the reception and care of these flocks. Dawson thought such an opportune moment had not existed since the first occupation of Port Stephens.\textsuperscript{18} There had apparently been a breakdown in communication. Barton told the committee no correspondence on this matter existed in the office. On 6 February, Dawson was requested to transmit copies of his correspondence with Captain Macarthur upon the proposed purchases. Dawson was also requested to forward copies of all future letters to the Secretary and the Court. He was asked to forward at monthly intervals requisitions for future purchases of stores.\textsuperscript{19} Administrative processes were being made more efficient and businesslike but were also ensuring that no news or comments would go to London without the knowledge of the committee.

That same day, the coal establishment was ordered to embark for Port Stephens at a day's notice and Dawson was cautioned against being imposed upon in the practice of holding out rewards for the apprehension of bushrangers.\textsuperscript{20} These resolutions indicated a concern for continued expansion and improvement of operations. They were passed at a time when disturbing rumours were circulating in Sydney of disorder on the estate.

On 16 February William Barton informed the Court that James Macarthur intended to sail for England early in March, accompanying the Camden Park wool clip. He would also take to the Court the committee's views on various important matters, such as financial expenditure, management arrangements and stock supervision, currently under consideration. Macarthur intended to lay before the Court full particulars of the Company's affairs. By this stage Barton had

\textsuperscript{18} Dawson to Committee, 31 January 1828, \textit{ibid.}, p.683.

\textsuperscript{19} Committee minute book, 6 February 1828, Macarthur Papers, M.L. A4314, pp.92-94.

\textsuperscript{20} \textit{Ibid.}, pp.88, 94.
submitted a report on the system of accounts which he was introducing at Macquarie Place and which he recommended should be adopted in the transaction of the corporation's business. There was no suggestion in Barton's despatch of serious dissatisfaction with the Agent. It is important, in the light of later allegations, to remember that a basic measure of understanding still existed between the committee and the Agent in spite of differences. Against this background it must be concluded that there was no question of dismissing the Agent but merely of making cutbacks in expenditure and curtailing expansion till current anomalies in management and efficiency had been corrected.

On 23 February Dawson wrote to Barton a letter in response to the committee's minute of 6 February. This letter strained to the limit the relationship between the Agent and James Macarthur. Not only did it cause James to wonder whether Dawson yet appreciated the worries felt by the committee over the situation in the sheep department at Port Stephens but it cut across the very close relationships between James and his aging father. James Macarthur was now placed in an almost impossible situation, caught between his official role as chairman of the committee and his filial sense of loyalty to his father. Dawson's earlier allegations about the quality of sheep sold to the Company by Captain Macarthur and Hannibal Macarthur must have brought home to James the difficulties of his dual role but Dawson's latest letter placed him in an awkward situation. (His father wished to sell more sheep to the Company at a time when James was certain none should be purchased until all previous endeavours had been consolidated.) Dawson stated he did not consider his correspondence with Captain Macarthur relating to the inspection of Camden Park sheep as official because no formal tender had been offered. It had not been till after his return to Port Stephens towards the end of 1827 that Dawson received a note from Captain Macarthur saying he would offer three flocks. John Dawson had travelled with James Macarthur early in January 1828.

21 Barton to Brickwood, 16 February 1828, 78/1/2, pp.357-61.
to Camden to inspect the sheep. Soon after their arrival James informed the young nephew of the Agent that he, as a member of the committee, objected to any more sheep purchases during 1828.  

Now that he had left the confused situation on the Company's pastoral estate James was quite worried about the rate of current progress and realised the need for a reassessment of the management situation. He was especially worried about the heavy sheep losses. It was this concern which led to his activity at the Macquarie Place Office between mid-January and mid-February 1828. It was this concern which led him to object to any more sheep purchases. It is doubtful whether James yet appreciated the correctness of Robert Dawson's allegations about the sheep sold earlier to the Company by his father and cousin, but he must have entertained his suspicions on this matter.

James felt keenly the delicate nature of his present situation. Should he allow his business and managerial judgement to submit to the domineering influence of his aging, sick and unpredictable father? James, still a young man, was cutting his political teeth. He had not yet acquired sufficient cunning and skill to contend with so formidable an opponent as his own father. Being human he opted for the safer procedure: on 28 February, Barton reminded the Agent that James Macarthur invariably declined entering into any communication with him on the question of sheep, referring him always to Captain Macarthur. James Macarthur flatly rejected a claim made by Dawson that he had received information from himself on the possibility of Camden Park sheep being made available during the latter half of 1827. Dawson knew James' denial to be incorrect and protested strongly to this effect on 8 March.

22 Dawson to Barton/Extract, 23 February 1828, 78/9/2, pp.684-86.
23 Barton to Dawson/Extract, 28 February 1828, ibid., p.686.
24 Dawson to Barton, 8 March 1828, ibid., pp.686-87.
By then the situation was changing rapidly. The causes lay in a meeting held on 27 February.

On that day James Macarthur and James Bowman met with William Barton for the routine approval of business transactions. Hannibal Macarthur was not present. After dealing with routine matters the committee considered Barton's report of 14 January on the future management of accounts. The committee decided to adopt Barton's proposals and ordered him to send a copy of the submission to Dawson for his information and to Ebsworth for his guidance. The committee then considered a report submitted on Wetherman's plan for the accounts department at Carabean. Barton was fully convinced Wetherman's proposals were designed to perform the important function of keeping efficient and orderly accounts. If Wetherman's plan had been allowed to operate effectively, the accounts would not have been in a state of confusion. Barton was convinced that the Company had benefited from Wetherman's appointment and that the department of accounts had suffered from his sudden removal. The meeting was obviously moving into a delicate area. Dawson, in September 1827, had dismissed Wetherman in a summary fashion after a comment made over breakfast at Tahlee. Wetherman, in conversation with other officers, criticised aspects of Dawson's system of management and John Dawson carried the story back to his uncle. Robert Dawson then ordered Wetherman to leave Port Stephens. Dawson had made an enemy.

Following Barton's report on Wetherman and his system of accounting the committee resolved that Wetherman be retained in the Macquarie Place office. The committee then considered further

26 Ibid., pp.100-103.
27 Wetherman to Slade, 15 September 1827, and encl., 78/9/2, pp.545-47.
28 Committee minute book, 27 February 1828, Macarthur Papers, M.L. A4314, p.103.
routine items on the agenda. While these matters were being discussed, an encounter occurred in the streets of Sydney. Captain Macarthur met James Ralfe, the surveyor.\textsuperscript{29}

In order to assess the full consequences of this meeting we must consider the state of Captain Macarthur's health at this time. Macarthur, after a tempestuous and chequered career, longed for recognition from his contemporaries. His appointment in July 1825 to the newly-created Legislative Council confirmed Macarthur as protagonist of the ultra-conservative faction of pastoralists and merchants and put him in a position where he should have been able to claim this recognition. On the other hand, there can be little doubt that from this time onwards increasing outbursts of erratic temperament had begun to destroy the remnants of his personal authority. This was well known by his family and those closest to him.\textsuperscript{30} It was for this reason that in 1824 John Macarthur junior, Archdeacon Scott and Phillip Parker King judged that Captain Macarthur would decline appointment to chairmanship of the Company's colonial committee.\textsuperscript{31} It is difficult to disagree with Margaret Steven's judgement that Macarthur's domineering and magnetic personality exhibited an apparently impregnable sense of personal superiority, but his arrogance concealed an anxious insecurity that contributed to unscrupulous behaviour. These personality problems eventually gained control of his tormented mind. Any contention in which he was involved released an uncontrolled vindictiveness, paraded in his boast to Governor Darling that he had 'never yet failed in ruining a man who had become obnoxious to him.'\textsuperscript{32} It was this side of Macarthur's

\textsuperscript{29} \textit{Ibid.}, pp.103-104.

\textsuperscript{30} Article by M. Steven on John Macarthur, \textit{A.D.B.}, vol.2, p.158.

\textsuperscript{31} Encl. 5 in Court to Committee, 5 July 1824, 78/9/1, pp.60-61.

\textsuperscript{32} Article by M. Steven on John Macarthur, \textit{A.D.B.}, vol.2, p.158.
personality which was touched off by the meeting with James Ralfe.

James Ralfe and Robert Dawson were not kindred souls and had previously been in conflict. After tracing the eastern boundary of the grant as far as Wallis Lake entrance Ralfe had returned to Carabean for provisions. Here he violated a rule of the settlement by shooting birds for the Aborigines. Dawson, indignant over this breach of discipline, ordered Ralfe to return to Sydney. Dawson followed this reprimand with a letter of complaint to Oxley. Oxley forwarded the letter to Sir Ralph Darling. The Governor issued Ralfe a severe reprimand and ordered him to return to survey duties. Ralfe, furious at the procedures adopted, returned to Wallis Lake. This was the man who now met in the streets of Sydney the elderly and unstable Macarthur.

Macarthur inquired generally about affairs at Port Stephens. Macarthur became so alarmed at Ralfe's report that he rushed immediately to Macquarie Place and advised the committee to call Ralfe. Ralfe came before the committee and gave a factual account of the settlement. He described how, on 9 January, Dawson had commenced the construction of a large house. It constantly employed from 30 to 40 men. This building, later known as Tahlee House, had been raised five feet when it was discovered cellars had been omitted. Dawson ordered the structure to be taken down. This was done. Cellars were dug and construction recommenced. Dawson's behaviour was to rouse the committee to action. Not only was such construction apparently expensive and wasteful of labour resources, but it was expressly forbidden without approval of the committee.

Ralfe described how Hugh MacKay, John Guilding's superintendent, had been supplied with articles from the Carabean store. He

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34 Committee minute book, 27 February 1828, Macarthur Papers, M.L. A4314, p.104.
described how emancipists were employed at high wages. He stated the settlement was in a general state of dissatisfaction and effervescence. The committee, thoroughly concerned by this news, examined other employees then in Sydney. The general picture was confirmed. Dawson's time was now measured. Not only had he placed James in an awkward situation on the question of sheep purchases, but he was showing complete lack of due economy and effective superintendence. The news could scarcely have come on a worse day - on the very day the committee considered the system of accounts.

Dawson was now facing the crisis of his career as he would need to defend his actions fully before the committee. On the following day, 28 February, Robert Dawson received news of the death of his daughter, Ellen, in England. Dawson, a very humane person in his domestic relationships, was struck into a period of withdrawal by this news. As a result he failed to co-operate with the committee to their satisfaction. This lack of co-operation was crucial to the events of the following two weeks.

The next day, 1 March, a special meeting of the committee was held at Parramatta. Taking into consideration Dawson's reports of 1 December and 31 January as well as related documents, the committee felt there was a great deficiency of information. This factor, united with the various alarming reports received on 27 February, led the committee to an important, but fair, decision. Dawson was called upon to give a full explanation of the serious matters to which the attention of the committee had been directed. The committee was convinced the months of February-March were critical.

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36 Ibid., pp.105-106.

37 Ibid., pp.106-108.

38 Abstract of Mr Dawson's Statement in answer to the Complaints of Mr James Macarthur against him, encl. in J.G. Dawson to Court, 11 December 1828, 78/1/5, p.138.

39 On this point, see Guilding to Dawson, 17 April 1828, encl. in Captain Macarthur to Governor Darling, 16 May 1828, 78/9/2, p.761.
and upon Dawson's explanations would hinge its future prosperity. The committee was alarmed at the disturbed state of the settlement. Macarthur and Bowman were apprehensive lest interests suffer materially by the lack of due regard to economy. They were concerned at the general misapplication of labour resources and the lack of proper management of the valuable flocks placed upon the estate. Dawson was requested to proceed, without delay, to Sydney with stock books, letter books, journals, diaries and other papers.  

Robert Dawson, by now, seemed aware of forces gathering against him. While the committee prepared further incriminating evidence against him Dawson made a decision which was understandable but unwise. Dawson declined to attend the meeting in Sydney. Dawson replied that he would give no verbal information except at Port Stephens. It was at this stage the committee determined he was expendable.

Dawson's action, on the surface unwise, may be understood as the action of a man playing for time. He was vulnerable on several points such as lack of proper management in the sheep department, lack of due superintendence of convicts, lavish allocation of labour resources and the hasty dismissal of Wetherman. Dawson was convinced, however, that given due process of inquiry or explanation, he could explain the current state of affairs. The answer lay in lack of proper management and due consultation between the Agent and the committee. Given a pioneering situation and understandable initial errors, there was still time to redeem the position. His instructions, on 8 March, to James Ebsworth for a full statement of the Carabean accounts confirm this belief.

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40 Minutes of meeting, 1 March 1828, ibid., pp.109-111.
41 Dawson to Committee, 8 March 1828, 78/9/2, pp.595-98.
42 Dawson to Ebsworth, 8 March 1828, ibid., pp.599-601.
This, in itself, was a fair assessment of the situation if taken at face value from Dawson's point of view. However, it ignored the changing attitude of the committee towards the Company caused by the unpredictable behaviour of Captain Macarthur. It was late days for Dawson and he did not properly realise it. On 13 March his fate was sealed. That day his friend Alexander McLeod of Luskintyre warned him an inquisitorial committee was sitting in judgement on him in Sydney.  

On 13 March James Macarthur delivered to the committee a long and detailed report containing numerous allegations against Dawson's system of management. This report was a hatchet operation designed to focus attention on the obvious faults in Dawson's procedures and to shield the committee from blame. In a pamphlet published in 1829 Dawson rebutted most of these allegations and revealed their origin in the faults of the basic management structure between himself and the committee. His strongly worded defence was, however, curiously silent on the disorder in the department of accounts. James Macarthur's allegations paid particular attention to this question and Dawson's silence can only indicate his refusal to recognise this weakness. Macarthur recommended the suspension from office of the Agent claiming that while he regretted the necessity for this drastic action he felt it was his imperative duty. No resolution was adopted on Dawson's suspension at this stage.

43 McLeod to Dawson, 13 March 1828, Macarthur Papers, M.L. A4318, pp.257-58.
44 James Macarthur to Committee, 13 March 1828, 78/9/2, pp. 501-534.
45 R. Dawson, _Statement of the Services of Mr Dawson_, Appendix, pp.i-xx.
46 James Macarthur to Committee, 13 March 1828, 78/9/2, p.532.
The committee, in effect, had fastened on to those points of the system of administration and management which revealed Dawson's vulnerability. The committee called a meeting of resident proprietors to confirm their opinions. Letters to the effect that a meeting was to be held on 21 March were sent to proprietors on 17 March. Dawson, as a proprietor, received notice of the meeting but not in time for him to reach Sydney. The letter to Dawson was not despatched from Sydney till 19 March. It did not reach Port Stephens till midnight on the night of 20 March. Under these circumstances Dawson decided to remain at Port Stephens. There can be no doubt that, by this stage, Dawson's presence was not desired in Sydney.

Between 17 and 21 March the committee strengthened its case. On 18 March Robison gave evidence on Dawson's failure to remove sheep to Telligherry from the lands adjacent to the harbour and the Karuah River. Robison deposed that Company property and personnel had been used by Guilding in establishing his plantation at Jamaica Plains. Robison's further claim that Dawson was in the habit of speaking disrespectfully about the committee as well as of accusing them of failing to follow the directions of the Court on the coal mines, only added grist to the mill.

By focusing attention on these points the committee believed it would be possible to divert attention away from the substantial counter-charges posed by the Agent. Dawson's failure to remove the sheep earlier from around the lower Karuah River valley into the Stroud-Telligherry districts would act as a smokescreen for the real cause of death and disease amongst so many of the sheep, namely

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47 Barton to Dawson, 17 March 1828, 78/9/2, p.607.

48 R. Dawson, op.cit., p.76; Dawson to Barton/Extract, 22 March 1828, 78/9/2, p.609.

49 Deposition of Mr Robison, 18 March 1828, 78/9/2, pp.715-20.
old age. Dawson's realisation that he had been tricked into buying old and diseased sheep from the Macarthurs could prove highly embarrassing, if proven. It would also provide fuel for the press always keen to lampoon Captain Macarthur and his family. Macarthur, in his old age and uncertain mental condition, was in no state to suffer such attacks any longer.

On 21 March James Macarthur chaired at Macquarie Place a meeting of colonial proprietors. Present were John Macarthur, Charles Throsby, Robert Campbell, Hannibal Macarthur, James Bowman, John Thomas Campbell, Reverend Samuel Marsden, Robert Scott, Patrick Hill, Alexander Spark and John Henderson. James Macarthur opened the meeting, outlined the events of the past six weeks and listed the complaints against Dawson. It was resolved that a committee of inquiry proceed to Port Stephens. This committee was to comprise John Macarthur, Charles Throsby, John Thomas Campbell, Edward C. Close and Robert Scott. The committee was "requested to proceed, in Company with a member of the Committee of Management, to Port Stephens for the purpose of investigating the state of the Company's affairs, with a view of such measures being ultimately adopted by the Committee as shall then appear to be necessary in order to ensure to the Company the advantages that in the opinion of the Meeting are likely to result from a more efficient System of Management."\(^{50}\)

Between 21 March and 14 April the committee, before going to Port Stephens, prepared its case in close detail. On 5 April they wrote to the Court that Dawson's management had not continued to command the concurrence which they had till recently given it.\(^{51}\) They made no mention of their own inadequate supervision. The committee shifted the failure to Dawson and he, emotionally wounded at this critical time, was unable to retaliate.

\(^{50}\) Committee minute book, 21 March 1828, Macarthur Papers, M.L. A4314, pp.112-18.

\(^{51}\) Committee to Court, 5 April 1828, 78/9/2, p.405; Barton to Brickwood, 30 August 1828, ibid., pp.913-26.
Dawson, with his sense of trust and degree of naivety, understood the proprietors were sending an impartial committee of inquiry to examine his conduct. In his own mind Dawson was still satisfied that he could explain his actions. Various allegations had been made about his management and he believed he was entitled to defend himself. However, when the committee of inquiry arrived at Port Stephens on 16 April, Robert Scott warned him that this was not the case. Scott, according to Dawson, told him that the proprietors had been induced to agree to a resolution carefully defining the authority of the delegation. It had been so worded as to preclude their entering upon any inquiry into his previous conduct and management, without the consent of the colonial committee. As much as Scott regretted the fact, the deputation had not discovered this defect in their powers until it was too late. They could only look to future arrangements. Dawson's belief that there would be an impartial inquiry was entirely mistaken.

On 17 April James Bowman, the Chairman, and the four members of the deputation assembled. Robert Dawson was in attendance. Bowman read through the various letters and documents which had passed between Dawson and the committee between 1 December and 13 March, as well as the letters of attorney, agreement and instruction. Bowman then stated that unsatisfactory replies by Dawson and his apparent mismanagement had given rise to the inquiry. Bowman considered that since the arrival of the deputation they had had an opportunity of judging for themselves Dawson's incompetence and the wasteful expenditure of the means and funds placed at his disposal. Bowman was particularly distressed at the diseased state of the sheep at No. 1 Farm. He stated that upon their visit to the more remote stations of the grant he had reason to believe evidence of similar negligence would be found. Then came, to Dawson, the unexpected and extraordinary climax: in order to prevent further mischief Bowman felt it his painful duty to suspend Mr Dawson from that moment from his situation as Agent to the Company. No defence from Dawson was heard. On 18 April Dawson was officially informed

52 Dawson, op.cit., pp.77-78.
in writing of his suspension. He left the estate on 20 April.53 The final decision on this issue was to be given by the London Court of the Company.54

Dawson was immediately replaced by no less a person than Captain Macarthur.55 This appointment not only amazed the Company's many critics but it disturbed Governor Darling. It certainly supports William Barton's contention that following James Macarthur's departure for England on 5 April, at a time when no decision had been taken in committee to suspend the Agent, Captain Macarthur had engineered Dawson's removal and installed himself in the office.56 Macarthur's appointment was, in point of procedure, dubious. When Barton notified the change of office to the Colonial Secretary Governor Darling considered the procedures incorrect. He ruled that the committee should have notified the appointment to the Secretary of State for Colonies.57 Bowman, dominated by the strong personality of his father-in-law, had moved beyond the point of worrying about such technicalities.

Macarthur was now in full command. There was, as his biographer noted, nobody in the family capable of resisting him or steering his proceedings along lines of prudence.58 For a time he enjoyed a bout of good health which enabled him to bring a semblance of order into the estate. He issued a reallocation of offices, stressed the need for weekly returns and obtained the


54 See below.

55 Bowman to Macarthur, 19 April 1828, Macarthur Papers, M.L. A4321, pp.227-28; Macarthur to Bowman, 19 April 1828, ibid., p.233.

56 Barton to Brickwood, 30 August 1828, 78/9/2, p.922.

57 Barton to Col. Sec., 29 April 1828, A.O.N.S.W., 4/6976. Governor Darling's comments, dated 2 May, appear as a gloss on this letter.

58 M.H. Ellis, John Macarthur, p.513.
appointment of a three man deputation to inspect quarterly the state of affairs. Armstrong was instructed to begin an immediate survey of the quality and extent of the sheep pastures. In an attempt to prevent promiscuous intercourse between assigned servants and Aboriginal women he placed the blacks' camp out of bounds. He adjusted the administration. There can be little doubt that Macarthur's reorganisation was designed to bring efficiency and economy into the Company's operations while at the same time cutting back on the scale of its operations.

By mid-May plans for structural adjustment were ratified. A report submitted by the deputation on 29 April was considered on 13 May and the committee confirmed the proceedings. It then considered the report and approved a wide range of recommendations. The deputation judged the country on the rivers Stroud and Karuah well adapted to sheep pastures and said that all sheep should be removed to these districts. Stations should be extended to similar country as occasion required. Runs should be exchanged for the benefit of the sheep. In the stud department the imported and more valuable colonial mares should be kept in enclosures and they should not be ridden or worked. The cattle should be classed and kept separate. No more expense should be incurred at No. 1 Farm as the alluvial flats around Booral and Stroud were adapted to raising grain. The bush roads formed were sufficient. The settlement should be removed from Carrington to the shore of North Arm Cove. Economy should be introduced into building operations. A wharf should be constructed on the Karuah River and crafts and boats should be reduced in number. Indentured servants should be kept in their respective trades. Surplus store goods should be sold by auction.

59 Instructions to the Officers of the Company's Establishment, 19 April 1828, 78/9/2, pp.883-87; Instruction No. 6, to John Armstrong, 8 May 1828, Macarthur Papers, M.L. A4322, pp.16-17; General Order No. 12, 10 May 1828, ibid., pp.45-46; Edswoth to Macarthur, 9 May 1828, ibid., pp.23-24; Sydney Gazette, 14 May 1828, p.2.

60 Committee minute book, 13 May 1828, Macarthur Papers, M.L. A4314, pp.132-35.
Inspection Journey of John Armstrong, 1828 - 1829

This map shows a composite of several journeys made by Armstrong. It is not possible, from surviving evidence to distinguish details of separate journeys.
During the middle months of 1828 Macarthur's constant attention focused on the state of the sheep flocks and the suitability of the grant. A report of May 1828 on the sheep showed that an improvement in their condition had followed their removal to better pastures and improved supervision. Scab, however, still prevailed at every station except one. Charles Hall, Superintendent of Flocks, judged from a comparison of the stations that scab had come entirely from scabby rams introduced to the ewes. This reflected poorly on previous superintendence of the sheep department and did not indicate anything about the purchased flocks.61 Alexander Nisbet, an assistant to Macarthur, did emphasise that the sheep purchased in the colony by Dawson were of varying quality. That statement, as a later inquiry was to prove, was an understatement. Nisbet doubted whether the 14,000 sheep on the grant could be increased much beyond 20,000 with any certainty of obtaining pasturage.62

It was this persistent doubt about the quality of the land which seems, at length, to have unhinged John Macarthur. Ill-health now began to impair his judgement. Most of the land, he thought, seemed to be either barren or inaccessible. John Armstrong reported the existence of 5000 acres of fine grassy country under Macarthur's Range but did little to allay Macarthur's growing concern.63 Time was soon to raise important questions in this regard. In the mind of Governor Darling the formal ceremony at Tahleé on 9 January only needed formal ratification. On 27 June Darling instructed Alexander McLeay to prepare a Government Order to solemnise the grant. This was prepared on 3 July.64 On 18 July McLeay wrote to the committee

61 Charles Hall's report on the state of the Company's flocks, 12 May 1828, 78/9/2, pp. 891-97.
63 Armstrong to Macarthur, 28 May 1828, ibid., p. 909; Report from Mr Armstrong respecting a portion of the grant, 78/1/6, p. 385; Macarthur to Committee, 14 August 1828, 78/9/2, pp. 927-33.
64 Government Order, 3 July 1828, A.O.N.S.W., 4/6976.
asking them to nominate the person designated to take possession of the lands from the Governor. The following day, to the utter astonishment of Governor Darling, Macarthur stated he could not take part in the intended ceremony of delivering formal possession of the land. Macarthur referred to Dawson's maladministration and stated that at least two-thirds of the land was either barren or nearly inaccessible. Macarthur requested the formal surrender of the grant be postponed until the quality and usefulness of the land be ascertained. The formalities were destined to remain unfinished for some seven years.

The Company was approaching a turning point in its development. At a time when Governor Darling had unwittingly posed a very important, if awkward, issue, Macarthur's ill health had succumbed to the arduous and demanding task of reformation. Macarthur had undertaken a work sufficient to daunt a younger person. Plagued by gout and violent cold he was forced to return to Sydney on 23 August. Macarthur wrote to Bowman that extreme disorder prevailed in every part of the establishment. It was, he thought, incapable of cure. The majority of the convicts were good for nothing. Most of the indentured servants were idle, dishonest or unmanageable. The grant, with very slight exception, was a barren waste. William Barton could not settle the accounts except by an estimate. Macarthur judged that no written statement could convey an adequate description of affairs. He recommended Barton be furnished with the documentary evidence in the Macquarie Place Office and directed to proceed to England where he could relay to the Court the melancholy state of their affairs.

65 Col. Sec. to Committee, 18 July 1828, ibid.

66 Bowman to Col. Sec., 19 July 1828, ibid.; Macarthur to Governor Darling, 19 July 1828, ibid.; See also in Darling to Hay, 30 August 1828, H.R.A., s.1, vol.xiv, pp.369-70.

67 Ebsworth to Brickwood, 29 December 1828, 78/1/7, p.511; Ellis, op.cit., p.514.

68 Macarthur to Committee, 14 August, 1828; Committee minute book, Macarthur Papers, M.L. A4314, pp.193-201.
This assessment is so lacking in balance that it was obvious Macarthur had despaired of redeeming the situation. Macarthur, in his depressed and tormented state, envisaged the complete failure of the corporation which he had long hoped to see established to boost settlement and expansion in New South Wales. Now, in the last years of his life, he imagined the corporation to be in utter ruin. For many months, lying ill and tortured, he did not care. It was, as M.H. Ellis recognised, his swansong as an organiser. What Ellis did not realise was that his complete disregard of Dawson's achievements bears out the earlier judgement that his anxious insecurity, concealed by his arrogance, had eventually gained control of his tormented mind. His vindictiveness against Dawson had almost ruined the Australian Agricultural Company. 69

William Barton's assessment of the situation differed from Macarthur's judgement and supports the earlier contention that Macarthur was attempting to dissimulate or that his judgement was clouded by ill-health. Barton felt the current crisis lay ultimately in the lack of an efficient system of accounting and supervision. Labour returns and issues of provisions and stores had not been kept in a consistent and connected manner. Robert Dawson had been opposed to admitting the necessity of Barton's keeping a control over the accounts. Dawson refused to accede to a correspondence by letter between Barton at Macquarie Place and James Ebsworth at Carabean. Macarthur had continued in this policy. Barton was adamant that the only method lay in the introduction of a proper system embracing a check upon the misapplication of the Company's means. Barton was convinced that should the anticipated failure of the corporation be realised it could be attributed wholly to failures in the system of management. The causes of past failures were still evidenced by the current state of the settlement: Macarthur had returned to Sydney and the establishment was left without either the protection of a magistrate or the necessary aid of a medical practitioner. It was not certain whether any officer.

was left to control and direct an establishment of 600 persons. The prisoners were discontented. The indentured servants were inclined to relinquish their agreements and quit the settlement. 70

Barton feared the course the committee might adopt on the recommendations of Macarthur. He feared that because of the prevailing depression in the colony the committee might be prepared to write off two-thirds of the expenditure as inevitable loss. He judged that if the selection of the million acre grant was final and the quality of the land as bad as claimed then the hopes of the Company were annihilated. Barton did think, however, that the favourable judgements of James Macarthur, James Bowman, Colonel Dumas, John Armstrong and the deputation of colonial proprietors were more to be relied upon than the unfavourable opinions of Simon Kemp and John Summons. 71 The former group was, with the exception of Armstrong, experienced in colonial pastoralism. During 1827 and early 1828 they had all seen parts of the western portion of the grant and approved it. Armstrong's survey of the land had been even more extensive. Although Kemp and Summons were both employees on the estate, Barton judged them to be under Captain Macarthur's dominating influence; this factor, he thought, had influenced their judgements.

By the end of September the situation at Carabean was out of hand. John Field, constable, reported a disturbance in the home of the blacksmith among the free indentured servants and stated there was no magistrate at the settlement. During this disturbance the constables had been threatened. Bowman reported to the Colonial Secretary that the settlement was in the greatest confusion due to the lack of a magistrate to quell disturbances. He requested Governor Darling to send the police magistrate at Newcastle to Port Stephens to restore order. As part of this policy of restoring

70 Barton to Brickwood/Private, 29 August 1828, 78/9/2, p. 951; Barton to Brickwood, 30 August 1828, ibid., pp. 913-26; 985-88.

71 Barton to Brickwood, 30 August 1828, 78/9/2, pp. 924-25.
order and curtailing expense large numbers of servants were discharged. 72

At a meeting of the committee on 19 January 1829 arrangements were made for the continued running of the estate. On 20 December James Ebsworth had been appointed Agent. William Barton was nominated as accountant. William Wetherman was appointed storeman at Carabean while William Harvey was instructed to take charge of the store at Stroud. 73 Barton prepared to quit the Macquarie Place office. 74 In effect, the colonial committee was absolving itself from active policy involvement in the corporation. It was this course of action which led Jesse Gregson to write in 1907 that "if the object of the Committee had been to bring the enterprise to utter ruin, I do not know what more effectual steps could have been devised than to remove the agent, dispense with many of the employees and throw communications into confusion by getting rid of the Sydney office." 75

In spite of this political action by Bowman and Captain Macarthur, James Ebsworth and William Barton were able to retrieve the situation to some extent. They held the status quo while waiting for decisive action from the London end to break the impasse. 76 The debate about the quality of the land continued. Ralfe persisted in his belief that the land was good. Armstrong, during 1828 and 1829, conducted a detailed examination and reported the discovery of 200,000 acres of good sheep pastures between

74 Bowman to Barton, 29 December 1828, 78/9/3, p.265.
75 Gregson, op.cit., pp.40-41.
76 Committee minute book, 20 December 1828, Macarthur Papers, M.L. A4314, p.235; Barton to Brickwood, 20 February 1829, 78/1/7, p.58; Sydney Gazette, 10 January 1829, p.3.
Bulahdelah and the Manning River and around Myall Lakes. During 1829 this dual situation persisted. Doubts prevailed about the land while a creditable attempt was made to consolidate previous achievements. The fact that the Company survived during 1829 was due, in no small measure, to the ability of Ebsworth and Barton to realise on Dawson's achievements and persist in spite of Captain Macarthur's utter pessimism about the wisdom of such a course of action. This, in itself, demands a close assessment of what had been achieved by Dawson during his tenure of office.

When the news of Dawson's suspension reached London in October 1828 the Court established a Committee of Inquiry to examine the Agent's conduct. John Dawson, who had travelled to London at his uncle's express instructions, presented documentary evidence to the committee.78

The Committee of Inquiry classified under two heads the various complaints against the Agent. These were:

(1) the total absence of book accounts or disregard to the Company's interests;

(2) the too great attention to his own interests.79

The Committee then heard evidence for and against Dawson's position. The previous decision of suspension was confirmed. Dawson claimed a right to become agent to his family for the management of estates in New South Wales. The Committee of Inquiry could not allow this right under the terms of his agreement. They


78 Court to Committee, 10 October 1828, 78/9/1, p.263.

79 Dawson entry in index volume 7 January 1829, 78/9/4. The information in 78/9/1, pp.455 ff. is missing from the despatches.
also considered his conduct towards the committee and his contempt of their authority sufficient to warrant his suspension. Dawson's instructions had hinged so entirely on the assistance he was to receive from the Sydney committee that his ignoring of their authority was definitely culpable. The Committee of Inquiry judged his culpability could be attributed to inability, habits of irregularity or other causes. 80

This judgement was quite contrary to the bright promise held out five years earlier by Robert Dawson and came with the confirmation of his suspension, thus posing the problem of assessing his total achievement. Dawson had been hired on the basis of very strong testimonials stressing his integrity, prudence, sound judgement, skills in agriculture, firm understanding of the importance of proper business habits and willingness to accept advice. Five years later his suspension from office was confirmed because he claimed rights beyond the terms of his agreement and defied the committee appointed to guide and advise him. He was held culpable of failure because of inability and habits of irregularity. How can the conflict between promise and performance be reconciled? The key can be found in Dawson's personality: in his even temper and strict attention to his parental and domestic duties and in his romantic personality. Perhaps the basic trouble lay in Robert Dawson's naive faith in human goodness: he placed too much faith in the recommendations of subordinates such as Dangar and Armstrong but more importantly he trusted the committee set up to guide and advise him.

In 1831 when he looked back upon his experiences Dawson was not so naive. He realised then that the Sydney Gazette in October 1827 had summed up the situation more clearly than Dawson could see it at the time. Dawson's later judgement showed a very clear realisation of affairs: the establishment of the Company was always

80 Ibid.; Court to Committee, 16 January 1829, 78/9/1, p.289.
unpopular in the colony except with those sheep and cattle owners who for a time could make a market of it for the sale of their surplus stock. During this period - 1826 and 1827 - they were interested in keeping it alive. When the Company ceased to afford them a market it became their interest, as well as that of every settler, to strike down the leviathan before it should be converted from a customer into an all powerful competitor. 81 Not only the emancipists but also the exclusives now began to oppose the Company. It was feared the Australian Agricultural Company would inevitably erect itself into a second East India Company and sweep away every smaller stockholder. 82 This political development coincided with the attempt by the colonial committee to tighten the corporation's business procedures. James Macarthur was genuinely concerned to correct faults in management and accounting but Captain Macarthur's unstable condition caused him to give credence to the viewpoint of the Company's opponents: old John Macarthur began to see the corporation as a strong rival to his own interests. Under the force of his influence the attempt by James to make procedures more efficient became little more than an attempt to cut back on the Company's progress and, ultimately, to abandon it to its fate. In this game of power politics Dawson's trusting personality was no competitor. He was no contender in the society which one old settler described to Sir Edward Parry in 1830 as a "Colony of Liars". Parry soon found colonial New South Wales to be certainly a country in which one had always to be on the defensive in common business transactions. 83 Dawson, in this hard-headed environment, was a practical agricultural man out of his depth in a time of political change when the exclusives were battling for positions of power under the enlarged, but still nominated, Legislative Council.

82 Sydney Gazette, 17 October 1827, p.2.
to be established in 1828. The Company, because of the large injection of capital it was supplying to the colony, provided the exclusives faction which enjoyed social prestige, with a ready market for surplus stock. In this way they were able to increase their economic power and thus, hopefully, their political power in the move towards a more representative Legislative Council. Dawson was unaware of this political dimension in the society around him. He took no part, or even interest, in this side of life. When, almost unwittingly, he realised early in 1828 that his stock purchasing activities had enabled various proprietors, but especially Captain Macarthur, to make use of him for their own ends, he was caught fast in a situation where only he, and thus the Company, could be the loser.

Robert Dawson's achievements between 1826 and 1828 had been considerable. Without prior experience of colonial conditions, and with little advice from the committee, Dawson had carved out of the bush an impressive, even if rudimentary, estate. The foundation years proved harassing. There was little time for relaxation and discussion with his officers. In the initial period of establishing a large corporation the management and control of men was as important as knowledge of stock, assessment of soils and pastures, and the fostering of sound relationships with the Aborigines. On all these points, however, Dawson's achievements were considerable. The fact that he was succeeding in spite of administrative difficulties to the stage of becoming a competitor with some of the leading pastoralists of long standing is an indication of this. The fact that his successors were able to consolidate his initial achievements and set the Company on a sound path to long term success also supports this conclusion.

Dawson's basic error had been one of hasty development. If he had been wise enough to consolidate expansion and to plan with more forethought he could have avoided subsequent mistakes. It was far more important to test the suitability of the proposed estate before covering it with large numbers of sheep. Not only did this error lead to needless and lavish expenditure but it
coincided with the hasty dismissal of Wetherman. Dawson realised in September 1827 that it would require immense attention and care to utilise available resources. He was becoming alarmed lest a state of confusion arise from hasty expansion. In spite of sound warnings Dawson did not apply this basic principle. He provided Captain Macarthur, James Bowman and the inquiry committee they dominated with an excuse to get rid of him when they wanted to curtail the Company's progress.

It is certain that there was no intention on the part of the colonial committee of dismissing Dawson when James Macarthur became worried in December 1827 about affairs at Port Stephens. After all the fault was as much the committee's as Dawson's. Macarthur was genuinely worried about the rate of progress; he was especially concerned over estimates of expenditure for 1828 which were being submitted. There was every possibility that an efficient system of control and accounting, to be established under William Barton and James Ebsworth, would achieve this. This probably would have happened if Dawson had cut back on his expenditure and had not begun, without approval, construction of Tahlee House. Why did Dawson begin work on Tahlee House as soon as James Macarthur was out of sight of the settlement? This extravagance was a key factor in the events of late February 1828 and afterwards. The answer lies in the fact that Dawson was expecting his wife and young family to join him. By Christmas 1827 he had allowed this thought to dominate his behaviour and to

84 Brickwood to Dawson, 2 April 1828, 78/9/1, pp.236-37.
85 "Hints for the Notice of Sir W.E. Parry", ibid., pp.515-16, 529.
86 Guilding to Dawson, n.d. 1828, encl. in Macarthur to Court, 26 May 1828, M.L. A4322, pp.247-51. For the same reason Dawson sent his nephew, John, to England to defend his case with the Court of Directors. When, late in 1828, Dawson learnt his wife had decided not to travel to Australia he returned to England.
prevent him from seeing the valid points in James Macarthur's concern about his system of management. His praiseworthy attention to his parental and domestic duties, undoubtedly strengthened after a separation of almost three years, blinded him to the very real concern felt by the Court of Directors and James Macarthur about lavish expenditure. One must conclude with the judgement that Dawson was out of his depth in appreciating the need for strict financial control of a large corporation. He definitely spent a large sum of money unwisely.

There can be no doubt that once he realised the odds were against him, Dawson decided to oppose strenuously the other difficult people with whom he had to deal. This is an understandable human reaction. Evidence was offered by Thomas Lindsay Ebsworth that Dawson, understandably disappointed by the hardened attitude of the committee towards him after February, had expressed the sentiment "that should the Company break up it would be a good thing for some of us - and I think I should like to have some of the merino sheep." Soon afterwards it was learnt that Dawson was a proprietor of a flock of sheep at Ratagan on the Hunter River. It was on the basis of this action that William Barton made serious allegations about Dawson's behaviour. This lapse on his part is, in human terms, understandable. It was a minor failure compared with the large scale exploitation of the Company by the exclusives' faction and the lack of responsibility exercised by the committee.

87 Deposition of T.L. Ebsworth, 15 May 1828, ibid., p.267.

88 Return of sheep and horses the property of Robert Dawson... in the charge of Alexander McLeod Esq. of Ratagan, Hunter's River, May 1828, encl. in R.B. Dawson to Col. Sec., 24 June 1836, M.L. A1276, pp.741, 745; Committee to Court, 26 May 1828, 78/3/2, pp.783-84.

89 Parry to Court, 17 February 1830, 78/1/9, p.71. See also Sydney Gazette, 20 May 1830, p.2; ibid., 28 August 1830, p.2.
It is for this reason that the 1829 judgement of the Court of Directors was incomplete; it was not a full assessment of Robert Dawson's service as Agent. Its terms of reference were too narrow because it was not in full possession of the facts concerning the more basic failure of the management relationship between the committee and Dawson. The crux of this failure lay more with the committee than with Dawson. The Court brought down its judgement against Dawson in January 1829 and concentrated on his failures in administration. It did not make any mention of the committee. It was not till June 1829 that the Court began to suspect that its trust in the committee was misplaced.\textsuperscript{90} It was not till 1832 that it realised the full extent of the deception practised on it. By this time the Court, still highly embarrassed by the outcome of an enterprise which had held such promise had no desire to re-open the case. There can be no doubt that Dawson's intemperate 1829 apologia, \textit{Statement of the Services of Mr. Dawson}, did not benefit his case in this regard. Dawson knew in 1829 that he had been denied justice and it was this strong sense of ill-treatment at the hands of the colonial committee, and subsequently by the Court of Directors, which shone through in both the 1829 \textit{Statement} and his 1831 book, \textit{The Present State of Australia}. It was this realisation which induced people like Viscount Barrington to take up his case. One must agree with the conclusion of E. Flowers that the London Court of Directors, while not prepared to give him justice, was well aware, by 1829, of where the blame lay. Their awareness was indicated by their words 'The misconduct of Mr Dawson is far exceeded in culpability by that of the committee whose orders he was to obey', and by their action in dispensing with this committee before sending out a replacement for Dawson.\textsuperscript{91}

\textsuperscript{90} James Macarthur to William Macarthur, 8 June 1829, Macarthur Papers, M.L. A2931, pp.172a-173b; James Macarthur to Committee, 27 June 1829, Macarthur Papers, M.L. A4325, pp.133-36.

\textsuperscript{91} As quoted by E. Flowers in article on Robert Dawson, \textit{A.D.B.}, vol.1, p.300.
On the other hand, one must see that there was a sound basis for the Court's refusal at this time to re-open the case: Dawson had shown ineptitude in financial management and was out of his depth in handling the affairs of a large corporation. As much as the committee can be held to blame for failing during these early years to keep a closer watch over the Agent's actions, they cannot be blamed for failures on his part. There was a gap in practical judgement between Robert Dawson's idea of what the Company could achieve in the Australian pastoral industry and the means by which this end could be achieved.
CHAPTER 4

EDWARD PARRY AND THE LAND QUESTION

William Edward Parry was born on 19 December 1790 at Bath, Somerset. He was a son of Doctor Caleb Hillier Parry, an eminent experimental agriculturalist who, in conjunction with Sir Joseph Banks and the Royal Society, carried out important early research on the merino. William, or Edward as he was more commonly known, was the fourth son and eighth child of Caleb and his wife Sarah, née Rigby. Edward's mother did not share her husband's interests in medical research, sheep-breeding and crop cultivation but was celebrated for her beauty, charm and unworldliness. Edward inherited some of these qualities from both his parents and in his personality combined a deep evangelical faith with a keen interest in scientific affairs. This combination was fairly common in those early Victorian and pre-Darwinian days.

Edward attended Bath Grammar School where he acquired the elements of Greek and Latin. At the age of 12 years and 6 months he made a precipitate entry into the Royal Navy while the Ville de Paris, flagship of Admiral William Cornwallis' Channel Fleet, lay in Plymouth harbour. While Cornwallis' ships engaged in a blockade of the French Fleet in Brest, Edward acquired the basic skills of seamanship. In all, Edward spent five eventful years with the Channel Fleet during which time the main interest of war at sea shifted to the Baltic after the destruction of the combined French and Spanish Fleets at Trafalgar. In 1808 Edward joined Captain Baker, Commander of the Vanguard, flagship of the Baltic Fleet, and in 1809 commanded a gunboat. The Vanguard returned to the Thames in December and on 1 January 1810, a fortnight after his nineteenth birthday Edward was successfully examined for a Commission. He was appointed lieutenant of the Alexandria frigate, lying at Sheerness.
After two more trips to the Baltic he was transferred to Leith and employed in protecting the Greenland and Spitsbergen whaling fleets. During this time he acquired expertise in astronomy and made himself a proficient surveyor. In January 1813 he was appointed to the ship La Hogue, at Halifax. Here he took part in the war between England and the United States. Except for one eventful raid up the Connecticut River most of his time at the North American station was spent in the boredom of routine blockades. In March 1814 the long war in Europe had ended and before the end of the year peace was concluded in America also.

After an uneventful period between the end of the war and his return home to Bath in March 1817 Parry was chosen as second-in-command of Captain John Ross's naval expedition to Davis Strait. He spent nearly ten years in search of a North-West passage from the Atlantic to the Pacific Ocean. In the summer of 1818 Ross sailed around Baffin Bay and reported it to be landlocked. The Admiralty remained unconvinced. In 1819 Parry was sent out again. He traversed the pack-ice in Baffin Bay, entered Lancaster Sound and found a broad channel which took him more than half-way to Bering Strait. After wintering in the Arctic he intended to push farther west but was defeated by ice. Parry made two subsequent voyages to the North-West during the years 1821-23 and 1824-25. In 1827 he attempted to reach the North Pole over the ice from Spitsbergen. Although he failed, his record stood till 1876. Parry was elected a fellow of the Royal Society in 1821.

In 1826 Parry married Isabella, daughter of Sir John Stanley, baronet, later first Baron Stanley of Alderley, in Cheshire. They were destined to have ten children two of whom, twins, were born at Government House, Sydney, shortly after their parents' arrival in New South Wales. In 1829 Parry and his friend John Franklin were knighted for their services to Arctic exploration. 1

After the culmination of his Arctic adventures Parry had been appointed hydrographer to the Admiralty. He found a sedentary life irksome but escape from this routine came from an unexpected quarter in April 1829. The Australian Agricultural Company was looking for a Commissioner to take charge of its enterprise in New South Wales. The post was offered simultaneously to Edward Parry and John Franklin. Both refused it. A week later it was offered to Parry again. The more he thought over the offer and discussed it with Isabella the more he liked it. The post would release him from uncongenial work at the Admiralty, end his money worries, give him outdoor employment, and not separate him from Isabella. At the end of April he signified acceptance of the offer.²

The Company was looking for a strong man to redeem its Australian enterprise. This man would need proven powers of leadership with firm qualities of decision. In Edward Parry they chose the right man. His fame as an Arctic explorer would assure the Company of high standing in the colony as its affairs were set in order. As Commissioner, Parry was given full power. His office superseded all powers formerly given to both Dawson and the colonial committee. This wider power enabled him to control future management and superintendence. Parry was empowered to inspect and call to account all persons who had been in charge previous to his appointment. As Commissioner, Parry was enabled to act decisively and judiciously in remedying the situation. He was empowered to establish affairs on a sound basis and under an efficient system of management.³

Parry was instructed to pay particular attention to finances. A capital outlay of £200,000 had so far returned little but acute embarrassment. Formerly, expenditure had been under the control of the committee. Financial control would now revolve around the

² A. Parry, op.cit., p.136.
³ Parry to Court, 23 December 1829, 78/1/9, p.39; "Hints for the Notice of Sir W.E. Parry", 78/9/1, pp.515-16, 529.
Commissioners who had instructions to introduce strict accounting procedures. 4

With these firm powers of attorney vested in him, Sir Edward Parry and Isabella sailed towards the end of July 1829 for New South Wales. They arrived in Sydney on 23 December. After some days in Sydney discussing business matters with the former committee, Allan Cunningham, Thomas Icely and others, Parry sailed for Port Stephens. Lady Parry awaited her approaching first confinement with Lady Darling at Government House. 5

During the night of 8-9 January 1830 the cutter Lambton slid into Port Stephens and tacked up-harbour. The following morning Sir Edward Parry, Commissioner, came ashore at Carrington where he was greeted by his predecessor, the Acting Agent. James Ebsworth remarked on the coincidence of dates: four years to the day since Robert Dawson began the Company's settlement of the region. Two years had passed since the formal ceremony on Tahlee Hill. Captain Parry came ashore to begin four years of painstaking toil. 6

4 Ibid., pp.522-23; Court to Murray, 10 June 1829, 78/9/1, p.505; Court to Committee, 7 April 1829, Macarthur Papers, M.L. A4317, pp.253-55.


6 Ibid., pp.26-28; by this time the name Carrington had replaced the Aboriginal word Carabeen as the place-name for the original settlement. With the publication by J. Cross of Holborn in 1828 of Henry Dangar's Plan of the Australian Agricultural Company's Grant at Port Stephens, the London office instructed its Agent to adopt the name Carrington for the Company's chief settlement. Dangar, on his map, originally planned to adopt the name Carrington for the Karuah. Because of the proximity of this settlement to this stream it was a matter of convenience to use the name Carrington. The name Karuah, however, persisted for the stream. The London office also suggested that the name "Gloucester" County, in which the finest wools are manufactured into cloth, might be used for the grant. Brickwood to Dawson, 26 May 1828, 78/9/1, pp.253-54; (H. Dangar), Plan of the Australian Agricultural Company's Grant, Port Stephens, New South Wales, A.N.U.B.A.
The Arctic explorer was to assess and attempt to save the situation. He faced two basic and formidable tasks: his immediate aim was to establish sole authority over the estate and to organise an efficient and orderly system of administration; his second, and ultimately more important work, was to judge the suitability of the original grant for pastoral purposes.7

By the end of 1833 Parry had achieved his mission. With a keen sense of politics he set the affairs of the Company on a secure foundation. The calibre of Parry's achievements can be gauged by his handling of various issues affecting the corporation's future. We shall first of all consider his handling of the land question and then, in the following chapter, review his organisation of the colliery and the pastoral and agricultural estates.

The fulfilment of Parry's mission to assess the original land grant and, if necessary, choose new lands depended on the approval of the Secretary of State; negotiations were still pending between the Court and the Colonial Office on this important issue. While he awaited the decision of the Colonial Office Parry began a detailed examination of the grant to appraise its nature for pastoral purposes.

In this task he was aided by William Burnett, who had arrived on the William with Parry and come to the settlement on 17 January to assume office as Superintendent of Agriculture. Burnett, as will be seen, was a competent superintendent but a man of decidedly independent behaviour. Parry, anxious to decide on the suitability of the grant, instructed Burnett to begin a systematic examination of the agricultural potential of the estate. Burnett inspected the 70 acres of cultivated land at Booral and was so pleased with the area that he recommended the formation of a 500 acre farm on the flats between the Karuah River and the timbered hills enclosing them. Burnett judged that the 160 acres of cultivated ground at

7 Burnett to Parry, 10 February 1830, encl. in Parry to Court, 13 February 1830, 78/1/9, pp.103-107.
Stroud were fair in quality but not equal to the land at Booral. On the other hand, the uncleared land at Stroud showed fair promise. The land from Stroud to Campbell Valley was very suitable for grazing but the ground between Campbell Valley and the Avon Flats was poor and scrubby. The beautiful expanse of the Vale of Gloucester impressed Burnett. The Superintendent of Agriculture judged the heavily timbered Barrington Flats to be very fertile. Unfortunately, a large section of these lands on the Barrington River was in the Clergy and School Reserve beyond the Company's western boundary. Within his first few weeks at Port Stephens Parry was satisfied that a portion on the western side of the original grant would suit the purposes of the Company. Parry was convinced that Robert Dawson has assessed this land well and Burnett's judgement also vindicated Dawson's choice of the Stroud-Gloucester area.

Parry soon became aware of Government plans to open to the public the coastal lands between the Manning and the Hastings rivers. The earlier settlements of John Guilding and A.P. Onslow on the north bank of the Manning had been abandoned but they would soon be followed by William Wynter and other settlers. This plan caused Parry to act quickly. After discussion with Thomas Mitchell, Henry Dumaresq and James Ralfe, Parry obtained for the Company a reserve of 400,000 acres of land on the north bank of the Manning until he had an opportunity to examine the whole of the original grant. If Parry were to decide to cede land back to the Crown he hoped to find alternative land on the Manning River. Development of these new lands could be hastened by the use of a steam boat plying between Port Stephens and the Manning River. Water carriage would be far preferable to long land journeys by horse through the bush. Parry, like Dawson, was fully aware of the importance of easy transport and good communications. For this reason he would prefer to stay close to navigable waterways.

8 Ibid.
9 Parry to Court, 25 March 1830, ibid., pp.185-87.
Parry's ability to begin the vital work of exploration and survey was dependent on the arrival of Henry Dangar from England. Dangar's earlier association with the Company had arisen out of his official duties as an assistant-surveyor with the Colonial Survey Department under John Oxley. His two exploratory trips for the Company in 1825 and 1826 followed from his detailed survey work in the Hunter Valley. While working for the Government in 1825, he accompanied Peter McIntyre, superintendent for T.P. Macqueen, in the selection of grants for Macqueen and for the McIntyre brothers. During this work he chose for himself and his brother William land to which McIntyre believed he had prior claim. Dangar suggested a compromise which McIntyre regarded as a bribe. A board of inquiry, set up by Governor Darling, found Dangar guilty of professional misconduct. He was dismissed from office on 31 March 1827. After Dangar returned to England to appeal unsuccessfully against Darling's recommendation he sought employment with the Company. 10 Dangar was offered appointment as a surveyor to aid Parry in his task of searching out new lands. His terms of appointment stated that when the task was completed he would be placed in charge of the new stations to be established, probably in the interior. In early April Dangar arrived in the colony with his wife, Grace, and their infant son, William John. The return of Dangar to New South Wales marked a new era in the pastoral development of the lands north of Newcastle. After travelling to Port Stephens Dangar prepared for exploration, although his first trip was delayed till the birth of the second Dangar son in June. 11

The month of June 1830 was occupied with the important work of exploration and reassessment of the original grant. From 2 to 11 June, Parry, accompanied by Charles Hall, the Superintendent

10 Article by N. Gray on Henry Dangar, A.D.B., vol.1, p.280. Parry terminated Dangar's services in 1833 after the land selections had been surveyed by him and G.B. White. The need for economy in operations did not make it practicable for Dangar to take charge of Warrah.

11 Parry to Court, 22 April 1830, 78/1/9, pp.190-91.
of Flocks, and John Armstrong, examined the eastern portion of the original grant from Bulahdelah to Farquhars Inlet. Their route followed a north east course from Carrington to Bulahdelah. From Bulahdelah they continued in the same direction to Mayers Flat, skirting the Myall Lake at its extreme north-western angle. From Mayers Flat they proceeded northerly to Wallingat River, and followed it to near its junction with Wang Wauk, or Macleans River. Proceeding up this river, they found a crossing and continued northerly over the Wollamba River, near to where Nabiac is now situated. On 11 June they camped on the Manning about five miles above Farquhars Inlet. From Farquhars Inlet the group travelled along the south bank of the Manning and then south across the mountain ranges to the rocky falls of the Larpent. 12 The route followed by the party covered the ground explored in 1826 by Dangar, Armstrong and Harington and in 1829 by Armstrong. It also covered a section of the land explored by Ralfe during his delineation of the eastern boundary in 1827. 13

Parry's first trip was designed to resolve the persistent doubt about the nature of the pastures in the eastern portion of the selected land. Parry and Charles Hall soon realised the basis of errors made during the period of Dawson's administration. Armstrong and his colleagues who examined the eastern section of the grant beyond the rocky barriers protecting the Stroud-Gloucester valley did not know the type of land fit for sheep. Their basic expertise in surveying had misled them in their judgement of the pastures and soils. In all probability this error would have been avoided if Dawson had personally examined this land.


13 See above, chapters 2 and 3.
The lands examined by Parry during June were suitable only for cattle and horses. Their extensive grassy pastures were such as to trap the unwary regarding their suitability for sheep. There was only one portion of land between Bulahdelah and Farquhar Inlet fit for sheep. On the journey south from the Manning River at Gangat to the Larpent River over high and steep ranges Parry found only one valley fit for sheep pastures: it contained land equal to the best sheep runs at Telligherry. Parry concluded with a grim finding: out of 147,000 acres examined only 13,000 were suitable for sheep. Such land would support only a maximum of four thousand sheep.14

After the birth of his son, Henry Cary, at Tahlee on 4 June, Henry Dangar set out to examine the reserved land between the Manning River and the range of mountains approximately 15 miles from its northern bank. Parry hoped that Dangar would find in this area, adjacent to the original grant and accessible to water transport, land suitable for sheep pastures. Dangar conducted a quick, but comprehensive, examination of the region and then returned to the Gloucester region.15 Dangar knew from his original 1825 journey that the country up the Manning from its junction with the Gloucester was not suitable: it was steep, broken terrain covered with thick growth. For this reason he travelled to the Dawson River region and examined the country in its vicinity.16 Dangar found that an inaccessible ridge extended to the South Brother and thus confined the country in a narrow belt to the seashore. Dangar, with his keen sense for land, judged it suitable for general purposes of colonisation; it was the best land he had seen so close to the coast but it was not adapted to sheep pastures on a large scale. Hence the land was not suited to the purposes of the Company.17

14 Parry to Court, 6 July 1830, 78/1/9, pp.411-18.
15 Parry to Dangar, 1 June 1830, encl. in Nisbet to Court, 11 June 1830, ibid., pp.407-409.
16 H. Dangar, Sketch map showing route of surveyor Dangar's journeys...with character of country passed through between the Lansdown and Manning Rivers, A.O.N.S.W., A3.M1166.
17 Parry to Court, 26 July 1830, and encl. Dangar to Parry 6 and 17 July 1830, 78/1/9, pp.638-39, 647-50, 650-53.
After returning to the Gloucester, Dangar surveyed the Barrington Flats prior to exploring along the course of this strong flowing stream beyond the boundary of the grant. In this valley of the Barrington around Rawdon Vale Dangar found 15,000 acres of sheep pasture. Already settlers, possibly employees of Peter McIntyre of Blairmore, had blazed a trail across the high rugged ridges of the Mount Royal Range from the Hunter Valley but had not occupied the country. This land between the Gloucester station and the junction of the Putamandurah and Nigh Kuck brooks with the Barrington lay outside the Clergy and School Reserve. Dangar recommended its selection by the Company.¹⁸

Although Parry doubted whether Dangar had made a sufficient examination of the reserved land north of the Manning River, he realised by July that some 400,000 acres of the original grant of one million acres should be relinquished. He intended to organise further surveys of the remaining lands. His assistant, Dr Alexander Nisbet, was thus sent out to follow up the exploration of the eastern portion of the grant near the rocky divide of Lochs and Macarthurs ranges. Nisbet returned to Tahlee on 10 August satisfied he had discovered a total of about 14,000 acres of sheep pasture in at least two different locations in the region between the Great Branch and Macarthurs Range. Nisbet also thought he had found a connecting route by way of Macarthurs Range to the Apple Tree Valley discovered by Parry on the trip south from the Manning River in June. While Charles Hall and Nisbet examined the suitability of this land for sheep Dangar prepared for a second trip to the lands north of the Manning. Parry had not been satisfied with the first examination. John Armstrong was instructed to survey accurately the south-western corner of the grant and to re-mark the western boundary. Armstrong's survey was all the more important as settlers were beginning to farm the lands between the Williams and the Karuah Rivers.¹⁹

¹⁸ Ibid.
¹⁹ Parry to Court, 26 August 1830, ibid., p. 734; Cowper to Perry, 6 August 1830, 1/15.
During October Dangar completed his survey. His recommendation that none of the lands beyond the Manning River would suit the Company's purposes meant that Parry would need to look elsewhere for alternate lands, probably west of the Dividing Range - a decision necessitated by Parry's recommendation to the Court to surrender the eastern portion of the original grant to the Crown. 20 Parry had, at this stage, received a copy of a despatch from the Colonial Office enabling the Company to exchange from four to six hundred thousand acres of the original grant. This important despatch enabled the Company to begin seriously the search for new lands.

Sir George Murray's despatch was the result of long negotiations and strong argument between the Court of Directors and the Colonial Office. Eventually, however, the Court's lobbying power through its Directors' political associations was able to overcome these initial objections of the Secretary of State. On general principles, the Secretary of State would have preferred to avoid any alterations to the boundaries formally defined on 9 January 1828. On the other hand, Murray was convinced the Company's just interests required some relaxation of the first agreement. He assented, under certain conditions, to allow an exchange of four to six hundred thousand acres. The new lands could be taken adjacent to the retained portion of the original grant so that the whole pastoral estate remained intact as one block; alternatively, it could be taken separately. If the latter course were adopted, Parry could choose it in either one or two locations. The Company was not permitted to take more than a total of three locations. Various conditions were applied: such alternate blocks were not to interfere with the reasonable claims of private settlers or with public aims, such as roads, contemplated by the Government. At least one quarter of each tract much be brought under cultivation or occupied by stock within three years, and the remainder within another seven years. The Company was to provide a fund of

20 Court to Parry, 14 May 1830 and encl., 1/16; Murray to Darling, 21 April 1830 and encl., ibid.; Murray to Darling, 21 April 1830, H.R.A., S.1, vol.XV, pp.429-31; Darling to Col. Sec., 25 October 1830, A.O.N.S.W., 4/2676.2.
£300 per annum for the support of a clergyman, to be appointed by the Crown, upon the original grant. The Government retained the right to appoint a clergyman or to use the fund for other suitable purposes of religion and education. Similar conditions regarding the appointment of clergy were to apply to the alternate selections. The Colonial Office also applied further concessions to the lease by the Company for 99 years of the Clergy and School Reserves. On the basis of this instrument Parry was enabled formally to surrender the eastern portion of the grant. The conditions imposed on the utilisation of these alternate land grants reflect the constant policy of the Colonial Office that the Company would use its lands in a profit- sible way and benefit the general welfare of the colony. The Company was now free, on the basis of an agreement made in London to find alternate lands. Inevitably, this would make it a competitor with squatters for new lands. In these early days of squatter expansion no official attempt had been made to control the movement. The Colonial Office's decision, made as a result of lobbying by the Company on the London end, would lead to a conflict with the interests of squatters and force the Colonial Government to adjust its politics to this new movement. The tardy response of the Government to the new movement was to prove a weakness when the Company and the Government came into conflict over the selection of alternate land grants for the Company in June 1832.

Sir George Murray's despatch also enabled Parry to lease other lands. Following the exploration of the Manning region, Dangar was instructed to survey the Clergy and School Reserves north of the Parish of Trevor. These lands adjacent to the Company's grant had been marked out by James Ralfe during the early months of 1828 but had not been closely examined. Dangar completed this survey between 9 November and 13 December and reported that out of two thirds of the ten parish reserves surveyed not more than one quarter was fit for sheep pasture. This suitable land was scattered wholesale throughout the reserve from Port Stephens to the Manning. In January 1831 Parry decided to lease a section

21 Ibid.
from the Church Corporation; in March it was agreed that the Company should lease the five northern parishes of Thalaba, Crosbie, Fitzroy, Verulam and Faulkland in their entirety. These parishes were in the northern half of the reserve. 22

The exchange of land grants was taking more definite form as Parry decided on the precise limits of the land to be relinquished. This section commenced at the junction of the Myall River and the First Broadwater and ran magnetic west to a point three and three-quarter miles from Booral. This spot was due north of the Commissioner's residence at Tahtlee House. The line then ran due north to within four miles of the Manning River, then east seven miles, and lastly about three miles north to the banks of the Manning. Under this proposal the Company would retain 457,920 acres of the original grant as one of the two or three locations permitted under the terms of Murray's despatch. Parry chose his boundaries wisely as the rocky mountain ranges and steep hills on the borders offered a natural protective barrier for the fertile lands from Booral north to the Manning. The Company could graze its valuable stock free from the danger of theft from neighbouring settlers. At the same time Parry relinquished the proclaimed reservation on the land north of the Manning and requested information from the Surveyor-General, Sir Thomas Mitchell, of land westward and north-westward of the retained lands. He soon learnt that official knowledge of the land around Liverpool Plains was non-existent. The Company would need to organise its own expeditions to explore the region northwest of the Barrington River. 23

22 Diary containing general and other orders of Sir Edward Parry, 8 November 1830, 1/14/1, p.66; Parry to Col. Sec., 3 November 1830, A.O.N.S.W., 4/6976.

23 Parry to Court, 24 February 1831, 78/1/10, pp.502-506; Parry to Dumaresq, 21 February 1831, A.O.N.S.W. 4/6976; Parry, Journal, 22 and 26 February 1831, vol.1, pp.379-80, 385-86; Col. Sec. to Parry, 3 March 1831, and sub-encl., encl. Parry to Court, 12 March 1831, 78/1/10, pp.585-90; Parry to Court, 4 March 1831, ibid., pp.581-82. On 31 December 1830 the Church Corporation was dissolved and administration of the Clergy and School lands placed in the hands of a committee of Commissioners. Sydney Gazette, 7 December 1830, p.2. For a brief account of this Corporation, see G.P. Shaw, "William Grant Broughton and his Early Years in New South Wales" (unpublished Ph.D. thesis, January 1970, A.N.U. Canberra), pp.154-55, 179, 287.
Parry and his assistants, Henry Dangar, Alexander Nisbet and Charles Hall, spent most of the year 1831 exploring and surveying the rugged mountains of the Mount Royal Range with its abrupt cliffs and steep narrow valleys. At the end of 1830 Parry knew that sheep-farming must form the main, if not the exclusive, object of endeavours upon the pastoral estate. The earlier plans of the Company to engage in such agricultural endeavours as viticulture and the cultivation of olive, flax, cotton and other products would now be eliminated as the main aim became more dominant. Calculating that each sheep required three to four acres the Company would be able to sustain 175,000 to 200,000 sheep if 600,000 acres of suitable land could be found west of the original grant. Parry was not optimistic about the possibility of finding suitable land within the specifications approved by the Colonial Office: the general proportion of good land to bad in New South Wales precluded the chances of finding suitable ground in one or two locations. In this assessment he was undoubtedly predetermining the issue. His examination of the eastern portion of the grant had caused him to be pessimistic. Parry did not yet know the pastoral possibilities of the inland plains.

During March, Parry sent Nisbet and Hall on the first of three expeditions undertaken during 1831. After searching along the creeks, rivers and ranges from Gloucester, Barrington, Rockhurst and Tibbuc to Giro these two men rode to the junction of Currica-bark Creek with the Barnard River where they were daunted by the high canyon walls of the valley. They then turned south towards Mount Myra and met the Manning River below its junction with the Pigna Barney. After continuing their route to Cobark they explored along Morpey Creek and the Barrington River before returning to Gloucester. On 8 April Nisbet and Hall returned to Carrington and informed Parry the only suitable land lay around Giro, along the Barnard River in the mile long valley surrounded by high ranges. Parry's fears were beginning to be realised. By May Parry faced

24 Parry to Court, 24 February 1831, 78/1/10, pp.502-505.
a basic decision. The journeys of Dangar, Hall and Nisbet had proved no land suitable to the Company existed within 25 miles of the western boundary of the Clergy and School Reserve: it would be necessary to go further west and cross the Great Divide. For this reason Parry instructed Nisbet and Dangar to set out in the first week of July with six weeks provisions and to look for land west of Giro.  

The Commissioner was not confident that land would be found as required. If Dangar and Nisbet could find sufficient good land he would be able to establish a string of sheep stations. This would avoid the need for an extensive establishment. As most of the increasing flocks of sheep were stationed between Tuildgherry and Gloucester it would be convenient if lands could be found connected to the northern end of the estate. This would enable Parry to maintain expansion along a continuous line of sheep stations. George Jenkin, Charles Hall's assistant in the Department of Flocks and resident in the newly completed Gloucester Cottage, would move further out as new sheep stations were established on the new lands.  

In early July Nisbet and Dangar set out on an important and far-reaching journey of exploration over the Great Divide west of Gloucester Cottage.  This was a journey destined to alter the future shape of the Company's development. It would, however,  

25 Parry to Court, 12 March 1831, ibid., pp.592-93; Parry to Nisbet, 12 March 1831, 1/14/3; Parry to Court, 28 April 1831, 78/1/10, p.649; H. Dangar, Map of the Country to the West and North West of the Grant of the Australian Agricultural Company, 24 September 1831, A.N.U.B.A.  

26 Parry to Court, 14 May 1831, 78/1/11, pp.2, 20, 63-65.  

27 Parry to Court, 15 July 1831, 78/1/12, pp.157-59; Nisbet to Parry, 1 September 1831, encl. in Parry to Court, 26 September 1831, ibid., p.281; H. Dangar, Map of the Country to the West and North West of the Grant of the Australian Agricultural Company, 24 September 1831, A.N.U.B.A.
Exploration between Port Stephens Estate and the Interior, 1831
take time before Parry realised the import of the discovery. Nisbet and Dangar returned to Port Stephens towards the end of August. Parry was at first completely pessimistic about the result of their journey. His impression was that their only success lay in the discovery of a tract of fair quality land north of the Liverpool Plains in the valley of the Peel River. This land was totally inaccessible from the Port Stephens Estate and 130 miles from the nearest navigable water on the Hunter at Morpeth. Distance and communications would be forbidding factors in its development. Parry feared this was the end of the Company's hopes in that northern region.28 A few days later Nisbet and Dangar submitted detailed reports to the Commissioner.

After leaving Port Stephens on 8 July, Nisbet and Dangar had travelled north to Bowmans River and thence in a northerly direction towards the Barnard River to the point beyond Giro where the valley closed and the river divided into two streams. Nisbet and Dangar then pursued a tortuous path up the Barnard past the Boombit Top. They then left the Barnard and turned south across Wangera Creek to Glenrock, thence north to Barry where they rejoined the Barnard River. They then followed the Barnard past its junction with Back and Honeysuckle creeks to the top of the Great Divide about five miles south of Hanging Rock and below Schofields Gap. The view from the range formed a striking contrast to the land immediately behind them. For twenty or thirty miles from west to northwest where it was bounded by ranges, the country consisted of open forest hills lightly timbered and showing a light russet appearance from frost. To the southwest their view was limited by an ascending arm of the main range stretching towards Mount Temi and Mount Helen. This arm gradually sank in the distance to a level with the surrounding hills.

Nisbet and Dangar then descended into the valley of the Peel River discovered by John Oxley fourteen years previously. They did not make a detailed examination of the open country along the Peel. The journey to the top of the range from the Gloucester had been long and tiring and provisions were short.

28 Parry to Court, 26 August 1831, 78/1/12, pp.235-36.
Nisbet and Dangar then rode westward across Wombramurra and Quirindi creeks, past Crawney and Big Double mountains to Colly Creek. This route enabled them to escape the steep hills in the ranges further south. After a brief detour north along Borambil Creek to near Four Mile Mountain they turned on a southwest course to Liverpool Plains. From the vicinity of squatter Thomas Parnell's station at Warrah they travelled south down Nowlands Pass above the Page to the upper Hunter Valley and Segenhoe, the station of Thomas Potter Macqueen. From Segenhoe they returned via Gundy, Belltrees and Stewarts Brook to Mount Barrington. They then pursued a course down the Barrington River past Mount Kirripit and across the Gloucester Buckets to the Gloucester station. On this return journey from Segenhoe they were vainly trying to find a practicable road between the new country and the Port Stephens Estate. Nisbet and Dangar then returned to Carrington after accomplishing a great feat of horsemanship and exploration.  

Henry Dangar, experienced in the selection and survey of lands in the rich Hunter Valley from 1822 to 1827, as well as from his previous exploratory trips for the Company, took an opposed view to that of Nisbet, who reported adversely on the Peel. Dangar realised there was no expanse of good sheep pasture westward of the Company's boundary line, or between the Manning and Hunter rivers. The country between the Hunter River at Segenhoe and the homeward track across the Barrington Tops to Gloucester Cottage, and south of that line for a considerable distance was so high and rugged as to prevent the making of a cart road from the Port Stephens Estate up to the Great Divide and thence into the Upper Hunter. Rather than attempting to construct a road from Booral to Gloucester Cottage, along the Little Manning River to the Barnard and thence up to the Great Divide, Dangar favoured another track. Dangar thought it better to travel from Booral to the Hunter River cart-road at Fai-Brook and thence to Maitland and the Pages River pass. Such a route from Booral to the important centre at Maitland was already in use. Dangar also thought it likely that a shorter path would be

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29 H, Dangar, op. cit., 24 September 1831, A.N.U.B.A.
discovered from Booral to the Hunter by going up the Paterson River and down the Rouchef Brook to the Hunter River road in the neighbourhood of Segenhoe. The discovery of such a path would be advantageous as Dangar, unlike Nisbet, considered the land on the western side of the range extensive enough for the needs of the Company: these lands possessed all the natural qualities characteristic of good sheep pasture in New South Wales.

Dangar admitted the serious problem of establishing communications between the new lands and Port Stephens. He also drew Parry's attention to further problems: the Company would have to convey supplies through the Hunter Valley, a district with which it had no connections. This would entail contributions to the construction and repair of roads and bridges; halting places would also need to be purchased for bullock teams. Maitland, as a natural focal point between Newcastle, Booral and the Upper Hunter, would feature in plans for communication between Port Stephens and the Peel. By making Maitland a point of communication the Company would incur the additional expense of maintaining a store. There would be the added drawback of Newcastle being the final port of shipment for wool from the new lands, instead of Port Stephens. Lastly, the Company would face the risk of driving clean sheep through an occupied district like the Hunter; this involved the likelihood of passing runs of diseased sheep. Dangar considered that a route via Paterson River and Rouchef Brook would overcome this risk.

In spite of these problems and the uncertainty of discovering sheep pastures in other locations, Dangar favoured the area west of the ranges. Dangar considered the new lands well adapted for sheep but suggested a closer examination of the area. He and Nisbet had, after all, only inspected and especially favoured the Goulburn Vale, the valley of the Peel, but thought Liverpool Plains would be useful as an auxiliary station. The Liverpool Plains, as Nisbet said, were not so suited to sheep but would form good agricultural stations.

30 Dangar to Parry, 24 September 1831, encl. in Parry to Court, 26 September 1831, 78/1/12, pp.297-308.
Parry was eventually won over by Dangar's arguments and decided to send him back to the area for a detailed examination. Dangar did not really possess more detailed information than what he had gleaned from his 1825 journey from the Hunter River to Port Macquarie: the route along the southern portion of Goulburn Vale lay close to the course followed six years later by Nisbet and his colleague. The basic difference in 1831 was that Dangar knew there were open pasture lands north of the hills he had seen on the first trip. A closer examination was warranted. Dangar returned to the area in October.

By mid-December, Dangar had completed his survey of the lands in Goulburn Vale along the Peel River. The land had lived up to his expectations as sheep pasture but large portions of it were without permanent water. Dangar had previously hoped that all the alternate grant might be taken in Goulburn Vale but his inspection showed that only 350,000 acres could be taken in that locality. The Goulburn Vale, he established, was quite distinct from the Liverpool Plains, being separated by a range of mountains - Oxley's Melville Hills. Dangar then planned to move south from his camp at Coolpoo, seven miles east of Mooche to examine the Liverpool Plains where he hoped to find another two or three hundred thousand acres of suitable land.

Dangar returned to Port Stephens on 20 January 1832 confident he had found two blocks of land suitable for the needs of the Company. After examining some 2,000,000 acres of country between the Liverpool Ranges and Wentworths Mounds along the Peel River, Dangar recommended to Parry that approximately three quarters of a million acres were suitable for pasturing sheep. Four hundred and sixty thousand acres of these lands lay along the Peel River of John Oxley; the other

31 Dangar to Dumaresq, 9 July 1836, encl. in Dumaresq to Court, 10 August 1836, 78/1/15, pp.75-78; Parry to Court, 26 September 1831, 78/1/12, pp.258-59.
32 Dangar to Parry, 19 December 1831, encl. in Parry to Court, 27 December 1831, ibid., pp.473-75.
295,000 acres were on the alluvial plains north of the Liverpool Ranges: these lands lay between the stations of squatter Thomas Parnell on Warrah Creek and squatter Major Druitt on Phillips Creek.

The proximity of the fine land along the Peel to the Port Stephens Estate led Dangar to recommend it strongly to Parry's attention. In Dangar's view it warranted the cutting of a road through the rugged terrain of the mountain ranges to allow a direct means of communication with the Gloucester. Dangar recommended the Peel River as a boundary because of the mountainous and barren nature of the country along its northern bank. He thought good land might be found north east of the course of the Muluerindi River from its junction with the Peel. On the other hand, he did not think the downward course of the Muluerindi from its junction would suit the Company's purpose since that stream then entered the flat alluvial meadows of Liverpool Plains with its surrounding hills covered with inferior pasture.

As a secondary choice Dangar recommended as fit sheep pastures the land south of the Peel region. This land at Liverpool Plains contained eleven brooks running from the highlands of the Liverpool Ranges to the plain country of the Mooki River. In a normal season, however, Phillip Brook was the only channel which carried a continuous stream of water to the Mooki. Although the remaining ten brooks ran through deep worn beds to the Mooki, their courses were merely marked by small drains which quickly dried up on the Plains. With shrewd insight into the possibilities of the region Dangar considered tanks or wells could be dug in these valleys to hold sufficient water for stock. He thought the drought during the summer months of 1831-1832 had been longer than usual. For this reason he estimated the water he had seen would be permanent except in an unusually dry season. The herdsmen attending squatters' cattle on the Liverpool Plains told him that a scarcity of water had been felt in the valleys during 1828 and 1829: it was hoped such excessively dry years would not occur again. In the event of the Company placing stock upon the lands between the Liverpool Ranges and the Mooki River this contingency could be offset by temporary removal of
flocks to the northern region. The larger streams of the Goulburn Vale were never lacking in water.

Dangar judged that a large area at Liverpool Plains was quite suitable for sheep. He understood, also, that the stock proprietors currently occupying sections of these two lands along the Peel and at Liverpool Plains did not have a claim for a grant on any part of the land occupied. They had merely fixed their tents on the unsurveyed space and would remove to more distant locations when the land was appropriated for the Company. In a sense, Dangar was presuming the Government's attitude on the squating issue.

Parry himself planned an expedition to examine Goulburn Vale and Liverpool Plains in person. Unlike Dawson, Parry would not depend on the reports of subordinates, however reliable they seemed. His aim was to conduct a personal examination of the land, pastures and water, and to assess their worth. On Monday, 5 March, Parry and Charles Hall travelled to Maitland where they met Dangar with a bush party despatched previously from Carrington. They then progressed through the Hunter Valley by the traditional route: Windermere, Glendon, Castle Forbes, Ravensworth, St. Heliers, Segenhoe and St. Aubins. The following Monday they camped on the banks of Pages River opposite the farm of William Henry Warland. The next day they crossed the Page, passed the high perpendicular mass of pudding stone known as "The Rock", rode to the foot of the Pass and ascended the ridge to the Liverpool Ranges. The Commissioner camped that night near a brook in Doughboy Hollow.

Parry obtained his first glimpse of the rich Liverpool Plains on 14 March. Parry likened the grassy plains with their projections of forest land to a sheet of muddy lake-water. That Tuesday night, after travelling by a route known later as "the swinging ridges road", they camped at a stock station near two small hillocks on

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a ridge. The Aboriginal name Warrah, meaning "falling rain", had been retained by squatters for this cattle station with its hut and stockyard on the west side of Warrah Brook. The 1200 head of cattle were owned jointly by three men, Thomas Parnell and Philip Thorley from Richmond and William Nowland of Patricks Plains.  

Warrah was one of several unlicensed runs beyond the Limits of Location proclaimed in October 1829 as marking the boundaries of the Colony of New South Wales. After Henry Dangar had explored a route up the Dart Brook to the Liverpool Plains in October 1824 and found another pass beyond the Kingdon Ponds and Pages River in August 1825, the way was open for squatter expansion from the Hunter Valley. In 1826 Otto Baldwin drove stock up Dangar's 1824 route and preceded by one year Allan Cunningham who crossed the Plains on his way to the Darling Downs. Several proprietors followed Baldwin on to the Plains before 1829 to escape severe drought in the Upper Hunter.  

By 1832 squatters held stations on and around Liverpool Plains at Warrah, Boorambill, Yarramanbah, Phillips Creek, Murillo, Kilcoobil and Mooki. North-east of the Plains the Loder brothers squatted in the Quirindi Valley. On the Peel, beyond the next mountain range, Woolomool and Waldoo marked, at this time, the limit of squatter expansion from the Hunter. With few exceptions, the squatters at Warrah, Boorambill, Yarramanbah, Phillips Creek, Woolomool and Waldoo indicated to Dangar and, also, to Parry that they acknowledged the Company's legal rights if granted land on Liverpool Plains and along the Peel River. These

34 Parry to Court, 28 February 1832, 78/1/12, p. 573; Parry, Journal, vol.2, pp.195-201, 570.

35 For Dangar: See A.D.B., vol.1, p.280; Australian, 23 December 1824, p.3.

For Baldwin: See W. Gardner, Production and Resources of the Northern and Western Districts of New South Wales, M.L. A176, p.3. H. Dangar to Parry, 23 February 1832, encl. in Parry to Court, 28 February 1832, 78/1/12, p.608.


For early settlement on Liverpool Plains, see Gardner, op.cit., pp.1-2.
Inspection Journey of Sir Edward Parry, 1832. Shaded areas indicate inland grants as finally delineated 1833-1834.
squatters were later to move their stock further down the Namoi and into the unknown tablelands of New England. 36

After camping at Warrah, Parry, Dangar and Hall examined the three valleys and four brooks between Parnell's hut and Boorambill, a cattle station belonging to Joseph Onus and Robert Williams of Richmond. The ten or twelve mile long valleys stretching from the highlands to the Plains were ideally suited for sheep. A similar examination of the deep rich dark soil between Boorambill and Yarramanbah quickly convinced Parry of its fitness for the production of fine wool. At Yarramanbah, Taylor, the stock-keeper, showed Parry a single flock of 1250 sheep under the charge of one shepherd. These sheep, with two thousand head of cattle, belonged to Otto Baldwin of Patricks Plains, William Osborn of Liverpool Plains, John Upton of Richmond and three Maitland gentlemen: George and Richard Yeoman, and Patrick Campbell. The sheep had been on the Plains about three years. The country betweenYarramanbah and Major Druitt's cattle station at Bire-Bootar on Phillips Creek above the Woondee water-holes was similar to that between Warrah and Yarramanbah except for a proliferation of the unusual myall trees. At the first brook beyond Phillips Creek Parry concluded his examination convinced that the land sloping down in gentle undulating fashion from the Liverpool Ranges contained 200,000 acres of first-class sheep country. On Friday, 23 March, Parry arrived back at Warrah where he and Charles Hall pointed out to William Telfer a gentle rise of forest land suitable for store and huts should the Company occupy the land; this site was just above Parnell's stock station. 37

After this fruitful examination of the land between Warrah and Bire-Bootar Parry directed his attention towards the northern selection recommended by Dangar. Proceeding from Warrah past Yoowhan Hill into the Quirindi Valley they camped with Old Ned and

37 Ibid., pp.201-202, 570.
his wife occupying this run for George Loder of Windsor and Andrew Loder of Hunter River. The following night Parry set his camp by the Carabubbla Brook at the foot of Burragundah under the wary eyes of a herd of very wild cattle. On Monday they followed Major Mitchell's dray-track until they reached a remarkable hill called "Duri". They then left Mitchell's track which continued across country to Woolomool station near Oxley's crossing place on the Peel during his journey from the Macquarie Marshes to the Hastings. 38

Parry traversed the passes between the hills which formed part of the range southwards of the Peel until the party reached the river a little beyond its junction with a brook. This route took the group past Dunover and Duri mountains, and across Tangaratta Creek towards Uriari Mountain to the Peel below Somerton. After following the river for some miles they passed over Carroll Gap to the junction of the Peel with the Muluerindi or Namoi. Crossing over dry slopes devoid of water they again met the Muluerindi which they followed to Warrenbool beyond Manilla. As this river veered too far to the north-east they steered a course to the Peel River via Moonaran and Sulcor to Attunga. A fresh in the stream of the Peel forced them to follow a circuitous route down the east bank as far as Woolomool hut. After devising a bridge over the Peel they camped with Cann, the stock-keeper for squatter Joseph Brown of Wollombi Brook, Darlington. With the exception of Waldoo, a station further up the Peel past its junction with the Cockburn near Nemingha, no other squatters occupied this valuable land. Waldoo was run jointly by William Dangar of Patricks Plains, Edward Gostwyck Cory of Patersons River and William Warland of Pages River. 39

Cann accompanied Parry over the slopes and flats to the permanent water holes at Red Bank and Forest Brook flowing into the Peel: the undulating grassy slopes were suitable for sheep.


Parry then restocked his provisions at Woolomool and followed the river down the expanse of Goulburn Vale to its headwaters junction with Wombaramurra Creek. On 7 April after ascending a slope leading to Crawney Pass, a low part of the Dividing Range, they descended into the country around the head of the Isis River, Pages Creek and the Hunter River, and then turned eastwards to the range dividing the headwaters of the Hunter and Little Manning rivers. After following down the course of the Pigna Barney River they rode via Rookhurst to the Gloucester which they reached on Saturday, 14 April. 40

Parry was thoroughly convinced that the land chosen by Dangar on Liverpool Plains and in Goulburn Vale was well-suited for the production of fine wool. Charles Hall and Parry both concurred with Dangar's earlier recommendation. It only remained now to convince Governor Bourke and Surveyor-General Thomas Mitchell that the Company should be granted these lands suited for the corporation's principal aim of growing fine wool. 41 Parry applied to the Colonial Secretary for Bourke's approval of his selection. At the end of May he received his first official indication that Government policy would prefer him to take all the alternate land in Goulburn Vale and to connect it by a road with the Port Stephens Estate. 42

On 4 June Parry was ushered into the presence of Sir Richard Bourke at Government House, Parramatta. Bourke wished to discuss with the Commissioner applications submitted on 5 May for land on Liverpool Plains and along the Peel River. Bourke informed the Commissioner that his selection entailed monopoly domination of all the good land upon and about Liverpool Plains; it hindered future settlement. Parry replied that the two selections were the

40 Ibid., pp.221-35.
41 Parry to Court, 1 June 1832, 78/1/12, pp.701-703.
42 Parry to Col. Sec., 5 May 1832, 78/1/12, pp.683-94 and encl. Chas. Hall to Parry, 1 May 1832, ibid., pp.685-86; Parry to Court, 24 April 1832, ibid., pp.667-69; Parry to Court, 1 June 1832, ibid., pp.713-14.
only choices possible after more than two years careful and expensive examination; large selections could never be made without some interference with the wishes of future settlers; the Home Government had limited the Company to two new locations and, in conclusion, it was extremely difficult to select large tracts of sheep country in New South Wales. Dangar's examination of the country north of the Manning River had shown it was suitable only for a few private settlers. Surveys by Dangar, Hall and Nisbet of the rugged country between the Clergy and School Estates and the rugged Barrington Tops, overlooking the Hunter Valley showed the unsatisfactory nature of this land for sheep. Parry conceded that the Company's purposes would have been satisfied if suitable land had existed in this area close to Stroud and the Gloucester. In the absence of good land it had been absolutely necessary to make selections outside the Limits of Location.

Bourke seemed to acknowledge the substance of the Commissioner's replies. He shifted attention to the Peel selection. He suggested that the ranges running parallel to the river to the north-east and south-west would provide a more satisfactory boundary than the zig-zag western line proposed in the submission. Parry replied that such a natural boundary would normally be preferable but in this case it would include an immense proportion of very inferior land without permanent water.

Henry Dangar was then summoned. Dangar stated that the Liverpool Plains area was not, as a whole, desirable for the purposes of the Company. For this reason the selection included merely enough land to make a neat block for survey purposes. The range south-west of the Peel as a boundary for the northern selection would include such a disproportionate quantity of bad and unwatered land as to cause a repetition of the original mistake in the Port Stephens area.

Parry's suspicion that Bourke's objections were not firmly held was confirmed when Thomas Mitchell joined the discussion. Bourke had little real knowledge of the area and Mitchell tried
to father his own opposition upon the Governor. The Surveyor-
General added further objections: he stressed the hardship of
turning out the "poor people" who had stock upon the Plains, the
inexpediency of extending the boundaries of a colony already larger
than Ireland, and the way in which the Company's occupation of
Liverpool Plains would hinder his plans for roads through the
Hunter district. Bourke fully concurred with Mitchell's suggestions
that the grassy slopes of the mountain ranges rather than the Plains
would make good sheep-walks: on his travels in Spain Bourke had
seen the extensive use made of mountain ranges for pasturing sheep.

In attempting to rebut these arguments Parry replied the
Company had no intention of hindering the access of settlers
across the Liverpool Plains which would be open to public roads.
The fact that such a fertile district was a desirable alternative
to the Hunter community in drought seasons was scarcely a
sufficient reason for denying it to the Company. The desire of
Bourke and Mitchell to limit the Company to an enlarged selection
on the Peel would necessarily extend the Limits of Location to
an area even larger than Mitchell desired. Parry emphasised that
the Company had an equal right to Liverpool Plains with the public
and had already expended considerable capital in the colony.
They were, in addition, prepared to spend a total of one million
pounds sterling. A likely increase of sheep by lambing made it
imperative to obtain a portion of the inland selections immedia-
tely: it was essential to construct buildings, hurdles, yards
and make other arrangements prior to lambing. If Governor Bourke
would not sanction the selection at Liverpool Plains the
Australian Agricultural Company could no longer fulfil the ends
for which it was chartered. Dangar added that the Hunter district
proprietors could just as easily feed their stock in drought years
by fixing their stations more to the north and west of the proposed
selection. Parry then continued: the proximity of Warrah to the
Stroud region made it convenient for purposes of communication;
it was unlikely that a suitable track could be found over the
rugged terrain between the Gloucester and the Peel; he indicated
also that the water-holes and brooks on the Liverpool Plains were
important for washing and shearing sheep. Bourke suggested alternate selections on the Lachlan and the Goulburn rivers. The distance of the Lachlan from Sydney rendered it unsuitable in Parry's view. Dangar's knowledge of the Goulburn River area, previously recommended and later rejected by Allan Cunningham, as well as the number of grants scattered through this district below the Liverpool Ranges, suggested to him and the Company that this further district would not be suitable.

Government policy was so firmly against the granting of the selection on Liverpool Plains that Parry realised there was no possibility of a satisfactory solution. Parry was then tempted to gain some area on the Peel by extending the Company's suggested boundaries to the ranges to the south-west and north-east. Parry proposed that a Government surveyor should immediately accompany Dangar to examine the southern ranges along the Peel Valley and the land in their immediate vicinity. Although this request was granted, Parry emphasised that he wished it clearly understood that he was not giving up his claim to the selection of two locations. He finally asked the Governor whether any portion of the Liverpool Plains could be appropriated to the Company. Bourke replied "No! I feel that I cannot sanction the granting of any of that to the Company." The conference concluded with Bourke authorising Parry to write an official letter to him on the question and a brief discussion of the instructions for the survey of the Peel region. 43

I have argued that the core of the Government opposition to the Company on the new lands stemmed from the attitude of Mitchell. To explain this we must understand how Thomas Mitchell viewed both his role as Surveyor-General and the independence of his department within the structure of Government and the public service.

43 The above summary is based on two sets of minutes kept by Parry and Dangar. See Parry, Minutes 4 June 1832, encl. in Parry to Court, 78/1/13, pp.200-204 and H. Dangar, Minutes of Conference with General Bourke, 4 June 1832, encl. in Parry to Court, 30 June 1832, ibid., pp.5-15. Dangar's minutes were compiled the following day and guarantee the substance of discussion.
When Mitchell arrived in Sydney in 1827 the Survey Department was in a position inherited from the previous administrations of Governors Macquarie and Brisbane. Neither of these Governors had dealt adequately with the land problem. The Department, under-staffed and lacking adequate surveying instruments, was faced with the seemingly impossible task of overtaking arrears of neglected work and keeping pace with the demands of a rapidly expanding settlement. These difficulties were paralleled by the total lack of a general survey to which smaller surveys were related. Even before he became Surveyor-General, on Oxley's death in 1828, Mitchell had been authorised by Governor Darling to begin a proper trigonometrical survey as an essential preliminary to more detailed surveys. Allied to this basic aim was Mitchell's early awareness of the need, as he saw it, to divide the land into counties, hundreds, and parishes according to natural features. This need arose from the nature of settlement in the colony: settlers sought land along watercourses or streams in such a way that other settlers would never select the land between their back boundary and rocky ravines. For this reason Mitchell's surveyors, as early as March 1829, worked at establishing the natural lines of the country.\(^4^4\)

In addition, Mitchell also considered that his office as Surveyor-General should play a very independent role. Mitchell, officially, and unofficially through the Permanent Under-Secretary of the Colonial Office, claimed to have authority, independent of the governor, directly from the Crown. This stance, for which he had not good grounds, brought him into open conflict with Governor Darling who, in March 1831, recommended his dismissal. Mitchell survived this crisis because it occurred just as Darling was being recalled. During the interregnum Mitchell achieved an aim consistent with his object of advancing his own fame when he persuaded Acting-Governor Lindsay to allow him to explore the region between the Castlereagh and Gwydir rivers to survey the land between the lines of Oxley and Cunningham. His sense of authority and his

independent role were affronted when he found Dangar, a man previously dismissed from the Survey Department for malpractice, carrying out a survey for the Company on the Liverpool Plains. Parry regarded Mitchell's attitude to Dangar as irrelevant to the Company's claims. This hostility between Mitchell and Parry, two men of strong character and incompatible temperament, set the tone for the meeting and allowed personality conflicts to interfere with negotiations over very important policy questions, such as squatting rights of those settlers already on the Plains and the wisdom of extending official settlement beyond the Limits of Location. Both Parry and Mitchell were men determined to fight to the utmost to safeguard interests entrusted to their care. Bourke distinctly stated that considerable misapprehension existed at the meeting and there can be little doubt that this grew from the mutual distrust between Parry and Mitchell arising from what can only have been a desire to protect the interests of their respective institutions.

In interpreting this conflict we must understand that Governor Bourke's sole concern was that the Company should not exclude the profitable occupation of land by other settlers. Bourke had only been in the colony since December 1831 and was still very much dependent on the advice of his Surveyor-General on such policy issues as land. He was also a fair-minded man and this explains the readiness with which he acknowledged the point of Parry's replies to his initial objections and shifted attention to the Peel selection.

At this stage Australian land policy was still firmly in the

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45 Article on Mitchell, *loc.cit.*, pp.238-39; Cumpston, *op.cit.*, pp.68-69; Parry to Court, 1 June 1832, 78/1/12, pp.704-705.

46 Parry to Bourke, 15 June 1832, A.O.N.S.W., 4/6976. Bourke's comments appear as a gloss on this submission.

47 *Ibid*.

48 Cumpston, *op.cit.*, p.68.
control of the Colonial Office. When Earl Grey's Whig 'Reform'
Ministry came to office in November 1830, Viscount Howick, as
Parliamentary Under-Secretary at the Colonial Office, reviewed the
issue of Australian land settlement. His Ripon Land Regulations of
1831 expressed what Howick regarded as an overdue innovation in the
official control of land. These Regulations gained little support
in the colony. Bourke was clearly in a position where practice
was racing well ahead of official policy. By June 1832 the great
squatting movement of the decade was under way and Bourke was well
aware that the desire of procuring good pastures for sheep was
leading the colonists far beyond the Limits of Location. There
was, as yet, no legislation in effect to deal with this movement
which was posing unprecedented problems for a new administration.
The year previously the Ripon Regulations abolishing the previous
practice of land grants and establishing a minimum upset price of
5/- per acre had been introduced. These regulations applied only
within the Limits of Location. The lands beyond the official
boundaries of the colony posed unique problems. This was the
dilemma facing Bourke. As Governor he was well aware of the need
to exert some type of control over this dispersion. At the same
time, Bourke did not wish to interfere with the profitable rearing
of sheep. The following year, 1833, the Legislative Council
introduced legislation: "An Act for protecting the Crown Lands
of this Colony from encroachment, intrusion and trespass." This
Act was specifically aimed to prevent the unauthorised occupations
of squatters continuing so long as to create any title to the land
in the occupier. Although there is no direct evidence to
indicate that the June conference is linked to this legislation
it is reasonable to conclude that the Conference, by showing up


50 Bourke to Stanley, 4 July 1834, H.R.A., S.1, vol.XVIII,
pp.468-70.

51 Parry to Hart Davis/Extract, 8 February 1832, 78/1/12, pp.744-
47; C.M.H. Clark, Select Documents, pp.222-25; Peter Burroughs,
Britain and Australia 1831-1855, Oxford, 1967, pp.35-75; J.J. Eddy,
op.cit., pp.213-32; C.J. King, op.cit., pp.40-44; J.G. Abbott,

52 Bourke to Stanley, 4 July 1834, H.R.A., S.1, vol.XVIII, pp.468-70;
T. Callaghan, Acts and Ordinances of the Governor and Council of
many of the contradictions in the official attitude, led Bourke to
move towards legislation aimed at controlling the squatting movement.
Many of the issues which legislation in 1836, 1838 and 1839 attempted
to remedy were covered in the 1832 negotiations between Parry,
Mitchell and Bourke.

We have still to explain Mitchell's opposition to the Company
being granted land on the Liverpool Plains. Why was Mitchell,
supported to the hilt by Bourke, so anxious to confine the Company
to the Peel Valley? It is reasonable to conclude that this arose
from his established principles on surveying. He was not opposed,
in the ultimate analysis, to the Company having an alternative
grant as allowed by the Colonial Office. His opposition can, then,
only have arisen from the method in which this grant was chosen.
Mitchell was anxious that the Company's grant be chosen according
to natural features and in such a way as to fit in with his general
trigonometrical survey. By choosing the Peel Valley with its
distinctive ranges surrounding a broad valley intersected by the
Peel River the Company's grant would fulfil these conditions. If
the Company chose land on the open Plains it would not be possible
to survey it according to natural features as Parry had chosen a
rectangular block. In addition, it would repeat the very diffi-
culties Mitchell had been trying to avoid since 1829. The land
between the southern boundary and the Liverpool Ranges would not
be taken by other settlers and would afford the Company a back run
for stock. Mitchell was, reasonably, concerned with the survey
procedures which he was struggling so strongly to establish.
Parry's concern, on the other hand, was to acquire land for sheep
pastures. He was certain he could not find the required 600,000
acres needed in the Peel Valley. The Conference, understandably,
reached a stalemate at this point with two determined men concerned
basically with different issues adamantly holding their ground.

Given Mitchell's earlier clash with Darling it is not un-
reasonable to conclude that he saw, in this issue, a chance to
further establish the independence of his authority from the
executive wing of Government. Mitchell fought hard and long to
establish the autonomy of the Survey Department and it is fair to assume that he capitalised on Bourke's lack of familiarity with Australian policies and conditions to gain a political advantage. With the experiences under Darling so fresh in his memory Mitchell would not have passed up such an opportunity. It is these aspects of the Conference, as much as his sheer determination to fight doggedly for the Company's interests, which explain Parry's criticism of Mitchell's behaviour. Parry believed that his own stand had gone to the very limits of respect for the Governor and expediency in politics but that this was warranted as he believed that the Company's very existence depended upon the acquisition of the two selections. 53 Bourke obviously felt otherwise and expressed his regret that Parry 'should have indulged in a strain of invective against the conduct of the Surveyor-General, and have imputed motives to that Officer for which there appears no reasonable foundation'. 54 Parry did not agree. He persisted in his opinion that Mitchell was being obstructive. In spite of Bourke's strong reprimand he saw no need to apologise to the Surveyor-General. 55

Parry's response to Mitchell's obstruction was immediate. On the same day he acquainted the Court with the decision and the next day he requested Hart Davis to obtain from the Colonial Office a strong and immediate remonstrance against Bourke's decision. Parry's formal remonstrance to Bourke recapitulated all stages of negotiations and concluded with a strong protest at Mitchell's hostility to the Company. Parry also applied to Bourke for a licence of occupation of the Warrah lands to cater for 10,000 lambs expected in October. 56

53 Parry to Court, 4 June 1832, 78/1/12, pp.735-37; Parry to Hart Davis/Private and Confidential, 5 June 1832, ibid., pp.739-43.

54 Col. Sec. to Parry, 27 July 1832, encl. in Bourke to Goderich, H.R.A., S.1, vol.XVI, p.742.


56 Parry to Court, 4 June 1832, 78/1/12, pp.735-37; Parry to R. Hart Davis/Private and Confidential, 5 June 1832, ibid., pp.739-43; Bourke to Goderich, 17 September 1832 and encl., H.R.A., S.1, vol. XVII, pp.732-42; Parry to Court, 30 June 1832, 78/1/13, p.2; Parry to Bourke, 15 June 1832, encl. in Parry to Court, 30 June 1832, 78/1/13, pp.17-35.
The Commissioner, proven master of difficult situations and acknowledged leader of men, maintained an even keel during these middle months of 1832. He assured the Court that the present officers of the Company were determined that nothing would prevent them bringing expenses within income with the utmost speed. In the meantime, Parry attempted to work within the limits of the terms of reference established by the Parramatta Conference with Bourke and Mitchell. Parry prepared instructions for Dangar to return to Goulburn Vale and the Peel with G.B. White, Government Surveyor\(^\text{57}\) to establish by survey the location and nature of the ranges south and west of the Peel River. Dangar and White travelled north to the Peel region where they were occupied till early October in tracing the course of the Mooki or Fields rivers, the Namoi, Peel and Cockburn rivers and the mountain ranges on both sides of the Peel. They also travelled 30 miles up the valley of the Cockburn. This examination, the third and most extensive survey of Goulburn Vale, conducted by Dangar, may also have led to Edward Gostwyck Cory's exploration of the unknown New England tableland to the north of the Cockburn over the Moonbi Ranges.\(^\text{58}\)

\(^{57}\) Parry to Court, 19 June 1832, 78/1/12, p.749; Parry, Instructions to Henry Dangar, 29 June 1832, encl. in Parry to Court, 9 July 1832, 78/1/13, pp.51-54.

\(^{58}\) In 1832 H.C. Sempill entered the southern ward of New England to the Apsley River around Walcha. In the light of the earlier exploration of the Barnard River valley by Dangar and Nisbet it seems likely that Sempill entered the Peel Valley via the route travelled by Parry in April. Sempill could then have ascended the range from Nundle to Hanging Rock and entered the Apsley Valley. A little later E.G. Cory reached the tableland by means of the Moonbi Ranges, and formed his head station at Gostwyck. While it is not possible to date precisely Cory's movement from Waldoo it would seem unlikely he moved prior to this exploration of the Cockburn Valley by Dangar and White. By this time it would have been plain the Company was likely to be granted the Peel region. Necessarily, this would mean the displacement of the Waldoo squatting station shared by Cory, William Warland and William Dangar. R.B. Walker, Old New England, Sydney, 1966, p.11.
Dangar reported that the Goonoo Goonoo Brook and its branches formed the only permanent water in the central parts of Goulburn Vale. After examining the waterless, rocky and barren portions of the region Dangar recommended to Parry three ways of choosing the best lands between the Peel and the mountain ranges to the southwest dividing the waters of the Peel and Mooki river systems. Dangar and White had examined the ranges eastward of the Peel and journeyed 30 miles up the valley of the Cockburn River but were convinced that the country was too broken and barren for the purposes of the Company.\(^{59}\)

On the basis of Dangar's recommendation Parry made a new application to Governor Bourke for the alternate selections. The first of these selections, comprising 348,345 acres lay between a pointed hill in the range about a mile to the eastward of Duri and the western bank of the Peel. He did not apply for any land on the eastern bank of the Peel. Parry indicated that his intention was still to take the second alternate selection on or near Liverpool Plains in a manner approved by the Governor, if Bourke could see fit to lift his embargo on the land.\(^{60}\)

If Parry entertained any optimistic thoughts on the land question, they were dashed to pieces by the end of January. Parry's December submission to Bourke had been referred to the Surveyor-General who continued his objections to the Company's selections. Mitchell made various comments on Parry's criticisms of the unsuitable portions of the Peel Valley, or Goulburn Vale, stressing with particular emphasis the water-holes scattered over the selection during his trip to the Gwydir River in 1831. Mitchell also pointed out that the sides of the ranges were normally covered with pasture and should therefore suit the purposes of the Company. On the basis of Mitchell's criticism Bourke advised Parry to take the remaining land on the right bank of the Peel. Such a selection, he emphasised, had natural boundaries and would probably open on to a connecting route with the Port Stephens Estate. If this suggestion

\(^{59}\) Dangar to Parry, 15 December 1832, encl. in Parry to Court, 17 January 1833, 78/1/13, pp.408-10.

\(^{60}\) Parry to Col. Sec., 22 December 1832, encl. in Parry to Court, 17 January 1833, ibid., pp.404-406; Parry to Court, 17 January 1833, ibid., pp.390-93.
did not meet with Parry's approval Bourke recommended a selection at Liverpool Plains on a principle already adopted: namely, from the Dividing Range downwards along the streams leaving perfectly open to colonists all the space between it and the location on the Peel. The Government also retained rights to build roads through the selections. This suggestion certainly supports the earlier argument that Mitchell's basic objections arose from his concern with surveying practice.

Parry regarded Mitchell's criticisms as merely a further instance of his hostility to the Company; he made detailed rebuttals of each criticism offered by the Surveyor-General. Parry consulted with Henry Dangar and then washed his hands of the matter. He sent an official letter to Bourke asking him to transmit copies of all the correspondence on the matter to Lord Goderich: it was useless and inexpedient to prolong discussion with the colonial government. Parry now placed his hopes in a settlement of the question from London following his representations to the Court of Directors after the Parramatta Conference. 61

In response to Parry's request for a temporary occupation of land for the coming lambing season, Bourke had allowed the Company a lease of 40,000 acres on the east side of Warrah Creek and stretching north as far as Yoowhan Hill. Plans were made for a party of men to proceed to Warrah in October to begin construction of huts, store, hurdles and stockyards for the reception of breeding ewes immediately after the annual shearing at Telligherry. In October, Charles Hall accompanied William Telfer and a group of men to Warrah and began preparations. 62

61 Bourke to Goderich, 6 May 1833 and encl., H.R.A., S.1, vol. XVII, pp.102-115; Parry to Court, 6 March 1833, 78/1/3, pp.453-54; Parry to Court, 14 March 1833, ibid., pp.491-92; Parry to Col. Sec., 11 March 1833, ibid., pp.495-97; A.O.N.S.W. 4/6976. For remarks of T.L. Mitchell: see Parry to Col. Sec., 11 March 1833, A.O.N.S.W., 4/6976. For comments of Parry, see Mitchell to Col. Sec., 22 January 1833, 78/1/13, pp.502-506. See also Parry to Dangar, 1 March 1833 and Dangar to Parry, 2 March 1833, ibid., pp.65-67; Parry to Court, 26 April 1833, ibid., pp.523-24.

62 Parry to Court, 12 October 1832, ibid., pp.293-94; William Telfer to Chas. Hall, 4 November 1832, encl. in Parry to Court, 17 January 1833, ibid., p.412.
The Company's occupation of leased land outside the Limits of Location presented unique legal problems which Parry wished to resolve without delay. The Commissioner was anxious to know whether the colonial Scab Act, 3 Wil. IV No.5, and the jurisdiction of magistrates extended to the leased land on Warrah Creek. The Government, faced with a totally new question applicable to a specific and unprecedented case, replied that it could not "be called upon to discover questions of this nature." This judgement meant, in effect, that both Bourke and his Attorney-General were still attempting to avoid many of the issues raised by the squatting movement.

By June 1833 the Company had erected buildings and was constructing a wool press on Warrah. This property was valued at £12,000 and would increase in value before the end of the year. The question of legal jurisdiction in the area was thus of considerable importance. On 21 June, Parry was informed that the Scab Act was not applicable outside the 1829 Limits of Location. The Scab Act was specifically designed to protect stock owners from the scab-infected flocks of neighbouring or travelling pastoralists. No opinion was given by the Attorney-General on the second questions whether magistrates and constables were entitled to exercise jurisdiction outside the boundaries. Parry addressed a petition to the Governor and Executive Council seeking a redress of this situation: authority to occupy land outside the limits availed but little if the Company's property, men and stock were not entitled to the protection of the law.

Parry's political fight with colonial authorities ended in a complete vindication of his position by the Colonial Office. During

63 Parry to Court, 5 June 1833 and encl., ibid., pp. 544-45, 584-85. For a copy of 3 Wil. IV No.5 see T. Callaghan, op.cit., vol.1, pp.1170-74.

64 Petition of W.E. Parry, 28 June 1833, 78/1/13, pp.629-30; Parry to Court, 4 July 1833, ibid., pp.619-20.
August 1833 Parry received a despatch from the Court of Directors informing him that Lord Goderich had decided in favour of his original selection along the Peel and on the Liverpool Plains. After months of useless negotiation with Bourke and Mitchell, as well as an additional survey of the Peel Valley, by Dangar and White, the Colonial Office had decided in favour of Parry's original submission of 5 May 1832. Both Bourke and Mitchell had been overruled by the Colonial Office. Why did this happen? There can be little doubt that this decision was due to the lobbying power of such members of the Court as Richard Hart Davis. The decision had been the result of negotiations between the Court of Directors and the Colonial Office following Parry's prompt representations after the June 1832 Conference at Parramatta. At this stage when colonial land policy was still in the hands of the Colonial Office there can be little doubt that such personal contact and lobbying power were decisive. There can also be little doubt that any principles regarding surveying procedures being fought for by Mitchell were receiving scant attention at the Colonial Office under Goderich. Goderich assumed that the ultimate disposal of Crown lands had been settled by the regulations of 1831. In complete ignorance of the conditions being created by the squatting movement Goderich regarded the Surveyor-General's Department principally as a means for obtaining a general map of the Colony. Mitchell, aware of the new and troublesome problems being created by squatters, persisted in his belief that a proper trigonometrical survey was essential. Even after the decision in favour of the Company, when Goderich resigned in 1833 and was succeeded by Edward Stanley, the Colonial Office still regarded a general survey and political, rather than natural features, subdivision into counties, hundreds and parishes as more important than Mitchell's trigonometrical survey. Against this background there can be little doubt that there was no hesitation by the Colonial Office in over-ruling Mitchell's objections to the Company's selections once the Court used its lobbying
power.  

On 12 September 1833 Parry formally requested the colonial authorities to grant the Company immediate possession of the alternate selections in accordance with Goderich's instructions. He had also become alarmed at the increasing number of squatters' sheep around the Company's station at Warrah Creek and sought due authority to remove them. Parry acknowledged his willingness to allow proper roads to be made through the estates at the expense of government and to secure to settlers adjoining the Company's lands the use of streams for the cultivation of their lands. McLean, the Colonial Secretary, informed Parry that Sir Thomas Mitchell had been instructed to carry out all necessary arrangements. This instruction, in effect, marked the achievement of Parry's mission but he had not been idle in carrying to fruition his endeavours in other fields.

65 Court to Parry, 15 March 1833, 1/16; Court to Parry, 26 March 1833, ibid.; Parry to Court, 21 August 1833, 78/1/13, pp.679-80; Parry to Court, 20 August 1833, ibid., pp.685-86; Cumpston, op.cit., pp.85-87. Unfortunately, there are no details of negotiations between the London Office and the Colonial Office in the surviving records and we are unable to understand how the dominant influence of Howick, as crystallised in the Ripon Regulations of 1831, was offset in this survival of the land grant policy of pre-Wakefieldian days.

66 Parry to Col. Sec., 12 September 1833, A.O.N.S.W. 4/6976; Parry to Court, 14 September 1833, 78/1/13, pp.697, 717-38; Goderich to Bourke, 23 March 1833, H.R.A., S.1, vol.XVII, pp.57-58; Stanley to Bourke, 6 November 1833, ibid., p.262; Col. Sec. to Parry, 16 September 1833, encl. in Parry to Court, 78/1/13, p.759; S.A. Perry to Col. Sec., 16 October 1833, A.O.N.S.W. 4/6976; Parry to Col. Sec., 9 October 1833, ibid.
CHAPTER 5

PARRY'S FORCEFUL ADMINISTRATION

Parry's ability to win a political contest with the colonial government enabled him to bring the land question to a successful conclusion. His ability in this regard was turned to advantage in leading the Company out of the confused negotiations over the coal question. Parry, by 1831, saw the colliery fully established on an operational basis. His administrative skills and force of personality also enabled him to develop pastoral and agricultural endeavours to an efficient scale. In this chapter we shall examine Parry's handling of the colliery and the pastoral estate and discuss developmental problems he faced.

The former colonial committee had decided to discontinue coal operations in May 1827 and the question had continued to lie in abeyance as a result of the suspension of Dawson. During this time the Directors were able to negotiate a new agreement with Downing Street. By April 1828 William Huskisson, Earl Bathurst's successor, was prepared to review the matter. He would not, however, give any decision before receiving a written report from Governor Darling.

Negotiations in London were concluded on 31 July 1828 when Horace Twiss, Under-Secretary of State for Colonies, informed the Court that a new agreement had been approved. Sir George Murray, Huskisson's successor, sent copies of this agreement to Governor Darling. The terms of this agreement were quite clear even though they were not made public in the colony. The terms were different from those of the original agreement of 1825. A grant of 500 acres would be made immediately. This would be located on the banks of the Coal River at Newcastle. The Company had the option of including the current government works within the 500 acre grant. The Company would receive every assistance with convict labour. Instead
of being given a lease of the coal lands, as in 1825, the Company would now receive a grant. The land would be subject to a quit-rent. The Government reserved the right to resume the grant should the Company not raise a stipulated amount of coal in any one year. The sixth condition of the agreement was new, and contained the seeds of future litigation. As the Company had incurred heavy preliminary expense for the public benefit it should have opportunity to recoup capital outlay. For this reason no Governor of New South Wales should grant or convey any other coal mines for the next 31 years. If the company made use of this monopoly to impose an exorbitant price upon coal, sanctions would be imposed against the Company by the Government.¹

Murray was thus carefully safe-guarding the public good with at least two conditions. The Government retained the right to assist other competitors if the Company charged an excessive price for its coal and it held the power to resume the first 500 acres of coal land if at any time the Company did not produce two-thirds of the amount produced by the Newcastle mines in the years 1826, 1827 and 1828. In spite of these safeguards there still remains the question of whether the right of monopoly was in the best interests of the colony. Did this pave the way for rapid exploitation by the Company? The question of monopoly is, always, a controversial issue and one not easily resolvable. In this case it should be remembered it was granted to the Company as a way of compensating it for lack of return and failure of operations under the first agreement.² It must also be remembered that the mines had been unsuccessfully worked for a considerable period and that, in this period of undoubted recession there was no other way of beginning coal mining operations on an adequate scale except by terms such as the above. Large amounts of capital and skills were

¹ Brickwood to Thompson, 9 April 1828, 78/6, pp.52-53; Brickwood to Dawson, 29 July 1828, 78/9/1, pp.257-58; Twiss to Brickwood, 31 July 1828, ibid., pp.277-81.

² Ibid., p.280.
required, and the Company was able to supply both.

The Court of Directors readily assented to the conditions of this agreement. It requested the Colonial Office to ask Governor Darling to continue the Government coal works on the current plan for a reasonable time. This would enable the Company to make preparations to relieve the Governor of that charge.

While news of this agreement was travelling from London events in the colony further delayed the coal venture. These incidents stemmed from 26 May 1827 when the committee advised the Court of its decision to break up the coal establishment. After November of the same year various inducements had been held out to the miners to cancel their agreements and by September 1828 miners John Thew, George Dewitt and Robert Hardy had quit the service of the corporation. By December, when news of the new agreement reached Macquarie Place, Captain Macarthur and James Bowman were completing their withdrawal from active involvement in the Company. As a result of all these resignations nothing further could be done till the arrival of Parry.

Soon after his arrival in 1829 Parry made vigorous endeavours to establish the colliery at Newcastle. On board the Elizabeth

3 Brickwood to Dawson, 29 July 1828, 78/9/1, p.257.
4 Court to Twiss, 4 August 1828, 78/9/1, pp.281-82; Hart Davis to Brickwood, 5 August 1828, ibid., p.283.
5 Macarthur to Committee, 14 August 1828, 78/9/2, pp.927-30; Committee to Court, 26 May 1827, 78/1/2, pp.176-83; Committee to Court, 9 November 1827, 78/9/2, pp.392-93; Committee to Court, 5 April 1828, ibid., p.407; Barton to Brickwood/Private, 27 September 1828, 78/9/3, pp.85-92; Committee minute book, 17 September 1828, Macarthur Papers, M.L. A4314, pp.212-13; Minute book/Extracts, 27 November 1828, 78/9/3, pp.341-42.
6 Barton to Brickwood, 26 January 1829, ibid., pp.339-40.
when it sailed into Sydney Harbour early in 1830 with Henry Dangar was another officer: John Henderson, Superintendent of the Coal Department. In spite of his earlier unhappy experiences with the colliery Henderson was prepared to return to the venture. The arrival of Henderson enabled Parry to begin arrangements for the operation of coal-mining at Newcastle. It was an enterprise he considered would need careful nurture both because of the earlier failure and also because of reports unfavourable to Henderson which circulated in the colony. After a brief examination of the coal fields on the south bank of the Hunter, Parry applied to the Executive Council for permission to commence boring operations near the existing Government mines. Henderson wished to bore beneath the current working seam to ascertain the existence of other coal seams and to prevent unnecessary waste of time in the selection of the intended coal grant. Although Darling approved the request it was not laid before the Executive Council till 9 January 1831.  

While waiting for permission, Henderson carried out boring operations on the land south of the Hunter. After an initial bore was sunk in a water-pit near the sea-beach close to the Government coal works Henderson decided not to incorporate the current works in the intended grant. Parry concurred in this decision. Henderson then shifted his boring operations to the flat ground westward of the town. The quicksand in this region made it impracticable to sink a shaft or to erect an engine. Attention was then directed to rising ground southward of this flat about half a mile S 60° W of the Government works. At a depth of eleven yards Henderson discovered a seam of pure coal, five feet in thickness. Parry requested the Government for permission to sink a shaft near this successful bore to ascertain the "dip" of the seam and to erect buildings. By mid-September 1830 a small pit had been completed eleven feet down to the seam of coal when a fast inrush of water

7 Parry to Col. Sec., 20 May 1830, A.O.N.S.W., 2/2304; Harington to Parry, 25 June 1830, A.O.N.S.W., 4/2676.2; Parry to Col. Sec., 8 July 1830, ibid.

8 Parry to Col. Sec., 18 August 1830, A.O.N.S.W., 2/2304.
interrupted work. Further work depended on the arrival of the steam engines in Newcastle from Macquarie Place where they had lain since late 1828. Pending the arrival of these engines Henderson employed his five men in boring operations in other parts of the same locality. 9

In August 1830 Murray sent Darling instructions for the transfer of coal mines. The Company was entitled to select 2,000 acres of coal grant land but was to take the first 500 acres in such a way as not to shut out the town from the water. In January 1831 Governor Darling laid before the Executive Council a number of requests concerning the coal mines at Newcastle. Parry wished to sink a pit and erect a steam engine about 100 yards from the western boundary of the proposed town allotments at Newcastle; he wished to work the coal under any of the unlocated lands in that neighbourhood including, if necessary, the bed of the river. Parry asked to work the coal under the intended town and to be allowed a liberal water-frontage abreast of the spot selected for the sites of the steam engine and shafts. The Executive Council agreed to these proposals recommending reference to the Government Mineral Surveyor as to the depth below the surface at which the coal might be worked with safety. John Busby listed various readings depending on the seam being worked. 10

During March the Government indicated its intention of breaking up the lumber yard and other establishments at Newcastle.

9 Parry to Court, 20 September 1830, 78/1/10, pp.1-3; Parry to Col. Sec., 15 September 1830 and Col. Sec. to Parry, 22 September 1830, ibid., pp.13-15.

10 Murray to Darling, 20 August 1830, H.R.A., S.1, vol.XV, pp.714-15; Hay to Darling, 20 August 1830, ibid., pp.715-16; Coal Mines of the Australian Agricultural Company, 7 January 1831, A.O.N.S.W., 2/2304 No. 1516; Busby to Col. Sec., 10 February 1834, A.O.N.S.W., 4/2676.2.
The men employed in these works would be assigned to the Company. The assignment of these convicts came at an opportune moment because Henderson expected to begin coal sales within a short time and work at Newcastle was speeding up: William Croasdill was making preparations to move from Port Stephens to Newcastle to act as clerk and book-keeper under Henderson; and Henry Dangar surveyed a 1500 acre section of the 2000 acre grant and valued the works currently in progress.  

The Company began the sale of coals in September 1831 even before the completion of the works near present-day Brown Street. The stock of coal raised by Government for sales to the public had been expended three weeks earlier than calculated; Parry arranged to sell inferior coal from an upper seam of the A pit pending the completion of the colliery works in early November. In spite of its inferior quality, this coal was probably better than the material being sold by the Government during the previous few months. The commencement of sales, even on such a small scale, marked a new era in the Company's involvement in the Newcastle area.

Parry made other preparations at Newcastle for the long range development of the colliery. Ultimately, his hope was not to employ free colliers but to depend on assigned convicts. With the aid of convict labour and the officers John Henderson, William Croasdill, James Steele and his son, it should, he thought, be possible to mine coal on a very economical basis. Parry drew up new regulations for the shipment of coals at the wharf pending the completion of a new wharf further up stream for the Company. Eventually, Parry had placed the Company's works entirely beyond the limits of the small town of Newcastle. In early discussions it had been understood that the Government mines and a reasonable portion of land near them would be taken by the Company. Henderson's preliminary boring for coal had decided Parry to go beyond the limits of the town.

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11 Harington to Parry, 17 March 1831, encl. in Parry to Court, 8 April 1831, 78/1/10, p.641; Barton to Parry, 2 April 1831, encl. in Parry to Court, 21 June 1831, 78/1/12, p.85; Sydney Gazette, 1 March 1831, p.2.
After Dangar marked out a 1.500 acre block of land at Newcastle Parry sought approval for the selection of 300 yards of water-frontage; he delayed the selection of a further 200 yards until he had decided whether to take the 2000 acre coal grant in one or two blocks. He also sought permission to select 23 Watt Street and 52 Pacific Street in the town for an office and residence.

Parry had good reason to be happy with progress at Newcastle. The Company had successfully bored for good quality coal and begun the erection of machinery over the seam. A new era was beginning in the economic and industrial development of New South Wales. 12

In early November 1831 Henderson reached the working seam and it came up to his expectations. The miners were then employed in the various underground works for drainage and associated tasks preparatory to raising coal to the surface. All was in readiness: the steam engine was functioning well; the railway and wharf had been completed and the wharf piles had been coppered to exclude the marine insect which had destroyed the old wharf. 13 Parry attended the official opening of the mine on 31 December 1831. The waggons, decorated with flags, ran down the inclined plane from the pit's mouth to the new wharf where two tons of excellent coal were delivered on board the steam vessel Sophia Jane. Parry's realism still held the day: he hoped the Company would reap a fair profit from coal sales. 14

12 Parry to Col. Sec., 14 September 1831, A.O.N.S.W. 4/2676.2; J. Laidley to Col. Sec., 16 September 1831, ibid.; C. Wilson to Col. Sec., 15 September 1831, ibid.; Parry to Col. Sec., 29 September 1831, A.O.N.S.W. 2/2304; Parry to Col. Sec., 4 October 1831, encl. in Parry to Court, 28 February 1832, 78/1/12, pp.587-89; T.A. Hely to Col. Sec., 13 September 1830, A.O.N.S.W., 4/2676.2.

13 Parry to Court, 30 November 1831, ibid.; pp.381-82 and encl. in Col. Sec. to Parry, 30 November, 1831, ibid., p.408.

14 Parry to Court, 13 December 1831, ibid., pp.421-22; Sydney Gazette, 15 December 1831, p.1.
By early 1832 the "A" pit was in full operation. Parry had brought the Company's coal venture from the stage of embarrassing stalemate to accomplishment. During the remaining two years of his association with the Company Parry was to settle the limits of the coal grant land at Newcastle and face the difficulty of obtaining labourers for the colliery - a problem which would constantly limit his successors. The term "Prime-cost" under which the Company had undertaken to supply coal to the government at the pit's mouth was settled late in 1833 by an agreement between the Court and the Colonial Office. The Company agreed to supply this coal at 8/- per ton.

Parry solved the Newcastle land question in two stages: in early 1832 he asked Alexander McLeay for a delineation of the first 1500 acres of the coal grant corresponding with the 300 yards of water frontage along the south bank of the Hunter. For the moment he reserved selection of the remaining 500 acres with its proportion of water frontage. The first 1500 acres were formally surveyed by Dangar and G.B. White in July. This portion was bounded by the banks of the Hunter, the sea beach and connecting lines on the east and west. While these two surveyors completed an examination of the Peel Valley, Henderson completed a more thorough examination of the coal deposits. This examination and the joint survey by Dangar and White decided Parry to take the 2,000 acres of coal grant land in one block and to ask for 500 yards of water frontage. This proposal entailed a definitive marking of the road from Newcastle to Maitland in that section forming the Company's boundary along the Hunter River. After a visit to the Hunter District in April 1833 Governor Bourke promised to settle the final formalities. On 2 May the Colonial Secretary notified Parry that the Governor had sanctioned the submission of 18 October 1832 for the measurement of the coal grant and the allocation of two town allotments in place of surface rights to the Shepherds Hill region on the coastline just south of the

15 Parry to Court, 16 and 23 January 1832, ibid., pp.513-14, 519 and encl.; Parry to Col. Sec., 30 January 1832, A.O.N.S.W. 2/2304. Cf. 78/1/12, p.589.
During July 1833 Dangar and White surveyed the boundaries of the 2000 acres including 55 acres of hill land to which the Company retained mining, but not surface, rights. This measurement was completed and formally approved by Sir Thomas Mitchell.  

The degree of control exercised by the Government over the Company has been amply exemplified by the definition of the grant boundaries and the location of the pit. The closeness of this control and its constant bearing on operations can also be seen in the allocation of labour resources to the colliery - a theme which will be sketched lightly as it is given more detailed treatment in the later discussion of labour.

John Henderson had carried out his early coal surveys and initial test drillings with the skilled miners who accompanied him to Australia. Once he decided on the location of the site for the "A" pit he was heavily dependent on the allocation of assigned convicts to help in the digging of shafts and in carrying material away from the pit mouth. Skilled miners were scarce and the Government, heavily committed to tunnelling for Sydney's water supply, was understandably reluctant to assign men to the Company. Convicts assigned to the colliery, even as early as September 1830,

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16 Parry, Instructions to Henry Dangar, 29 June 1832, encl. in Parry to Court, 9 July 1832, 78/1/13, pp.51-54; Parry to Court, 6 March 1833, ibid., pp.455-56; Col. Sec. to Parry, 2 May 1833, ibid., pp.625-26; A.O.N.S.W. 4/2627.2; Mitchell to Col. Sec., 8 May 1833, A.O.N.S.W. 4/2676.2; Parry to Col. Sec., 20 May 1833, ibid.

17 Parry to Court, 4 July 1833 and postscript 8 July 1833, 78/1/13, pp.619-20; Schedule 250/33, 3 September 1833, A.O.N.S.W. 4/2676.2. For a description of the grant see Mitchell to Col. Sec., 20 August 1833. This description was changed in October 1833 when Mitchell discovered the Company had been put in possession of Brown Street, the most westerly street of Newcastle. See Mitchell to Col. Sec., 11 October 1833, A.O.N.S.W. 4/2676.2. Dangar subsequently computed the hill area to be 87 acres, and not 55 as stated in the first calculation. This revised figure was subsequently confirmed by the Surveyor-General's Department, Parry to Col. Sec., 21 October 1833, "ibid."
scarcely exceeded the number of servants discharged from time to time as a consequence of gaining certificates of freedom or receiving tickets of leave.\textsuperscript{18}

Even when they were assigned men there were further difficulties. From the very first moment of the Company's operation of coal mines came the initial indications of friction between management and miners. The free miners belonging to Government refused to comply with their agreement on the plea of low wages. Henderson refused to deal with them claiming that their only object was to place the Company in the position of offering a high wage. This strategy by Henderson undoubtedly revealed a hard bargaining stand by the Company but it was a position taken up during a period when the Company's financial existence was indeed precarious. Parry stood firmly behind Henderson by insisting that, as these men would ultimately be in the Company's service it was important to resist all such claims from the outset. Parry considered there was not a man upon the pastoral estate at Port Stephens who did not perform more labour than the coal miners yet they received a ration and a half. For this ration and a half they performed a task of two and a half tons per man and usually finished about noon. Parry established a policy of dealing firmly with the claims of the free labourers and made representations to the colonial authorities to reduce the rations of convict miners to the same level as that of other prisoners. The authorities agreed to his request.\textsuperscript{19}

Although there was as yet no real hint of organised trade unionism on the coalfield, it is not fanciful to see in this initial trial of strength between miners and management the rudiments of the pattern of strikes which would emerge a decade later.

\textsuperscript{18} Parry to Court, 20 September 1830, 78/1/10, pp.8-9.

\textsuperscript{19} Ibid., pp.1-3; Parry to Col. Sec., 15 September 1830 and Col. Sec. to Parry, 22 September 1830, ibid., pp.13-15.
Shortage of labour - both miners and service personnel - soon became a serious issue. The new agreement of 1828 had stipulated that every facility and encouragement would be given to the Company to ensure an adequate supply of coal. On 31 August 1833 the colliery employed 37 miners and labourers, in addition to six mechanics. The mechanics performed essential work in the maintenance of pit gear, coal waggons, skips, the 329 yards of railway, the brickworks, chimney, boiler and the cutting of props for the roof. These service tasks were as important to the venture as the work of raising and "getting" coal performed by the miners and labourers and without them there was little chance of producing adequate supplies of coal to meet demand.

By September 1833 the Company had spent several thousand pounds in establishing the colliery and had not yet begun to reap any profit. Salaries and wages paid to the manager, book-keeper, engineer, brakeman and blacksmith amounted to near £2,000 per annum. It was difficult on this basis to expect any profit from the colliery without a generous assignment of convict mechanics. But requests for more workers met with the response that the local authorities would not assign mechanics to the colliery. This decision came at a time when the operations of the colliery were proceeding with some prospects of success: there was a chance of reducing the actual cost of raising the coals to the low and uneconomic price at which they were sold. It was not possible to increase this price. The coal was sold at a fixed price of 8/- per ton recently agreed upon between the Court of Directors and the Colonial Office. Under these circumstances, Parry felt it was impossible to run the colliery on an economic basis. He requested the Secretary of State for greater assistance in the assignment of convict labour to the colliery. 20 Parry's request for a greater assignment of convicts to the colliery was based on the stipulated conditions of the agreement between the Company

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20 Parry to Stanley, 19 September 1833, 78/1/13, pp.741-45; J. Laidley to Col. Sec., 6 July 1833, A.O.N.S.W. 2/2304; Col. Sec. to Parry, 27 July 1833, ibid.; Parry to Col. Sec., 21 August 1833, ibid.
and the Colonial Office. But, like the land question, decisions made in London had a habit of running far behind the actual situation in the colony. Parry could do little to offset this difficulty because of Bourke's refusal to act on the question of assigning more convicts to the colliery.

Even though he was faced by this increasing difficulty of obtaining labour for the colliery by the end of 1833 Parry left no room for doubt that the Company was established on a secure foundation. His determined handling of the land question had placed the Company in a potentially awkward situation with the colonial authorities but his quick decision to refer the question to London had secured the vindication of his stand. With equal determination and clarity of mind he set the colliery on the firm path to production but realised its operations would be hampered by labour shortages. An examination of other problems faced by Parry will reveal further that the period of his administration was basically that of securing the foundations.

Parry's negotiations with Government authorities on the land and coal questions had clarified the Company's position in these two basic areas. These achievements were paralleled in two associated fields. During the four years from December 1829 till March 1834 Parry reorganised the internal administration of the pastoral estate at Port Stephens and developed an efficient labour force. It will be seen that his policies in both these fields were aimed to achieve strong central control in the running of all affairs, this control being, of course, centred in his own person. This control enabled him to reorganise the pastoral estate and to lay the basis for pastoral expansion by his successor.

Parry's initial impression of affairs at Port Stephens convinced him of the need for strict central control if any lasting reforms were to be achieved. He realised there was much to be reformed on the estate but he knew he must proceed slowly as a contrary course would be impolitic even if it were possible;
almost every person at Port Stephens had an inflated idea about his own importance. Within a few weeks he realised that Dawson had set out on too large a scale and that there would be a need to exercise strict economy in all departments if the Company were to be a success. 21

The moves he made in a few departments can serve as useful examples of the type of control brought into all the Company's affairs by Parry.

Parry's aim from the beginning of 1830 was to make the accountant, William Barton, solely and entirely responsible to the Commissioner. Barton certainly had the reputation of being a very good accountant but his exercise of power during the two years of his association with the Company had involved him in many matters outside the normal area of his responsibility. His role with James Ebsworth in holding the corporation together during the latter half of 1828 and all of 1829 had given him a taste of power which he was reluctant to relinquish. He would not revert easily to a lesser role in the restructured administration desired by Parry and the Court of Directors. Parry soon realised that the accounts department had been disorganised for a long time. 22

Barton had in 1828 laid very serious charges against Robert Dawson for purchasing stock without adequate authority. This made it necessary for Parry to examine most minutely the accounts department. 23 For this reason, and also to comply with a request from the former committee, Parry appointed James Ebsworth, Charles Hall and William Wetherman to investigate possible irregularities. 24 This trio submitted its report in mid-March 1830 and confirmed.

21 Parry to Court, 23 January 1830, 78/1/9, pp.53-57; Parry to Brickwood/Private, 15 February 1830, ibid., pp.137-40.

22 Parry to Court, 23 January 1830, ibid., pp.70-72.

23 Ibid., p.71.

24 Parry to J. Ebsworth et alii, 2 March 1830, encl. in Parry to Court, 15 March 1830, ibid., pp.157-59.
Barton's assessment that some stock had been purchased for the Company on insufficient warranty. 25 The vindication of these charges, while confirming earlier allegations, made it only more difficult to restrict Barton to his proper domain. He constantly strove to exercise power in fields outside the accounts department, and particularly resented any move by Parry which could be construed as a tighter control by the Commissioner over the accounts department.

As late as April 1831 the accounts department was still in a state of chaos and confusion. There were even grounds to doubt whether Barton's method of accounting was the best for operations such as those being carried out by the Company. Barton, however, would entertain no such suggestions. 26 By May Parry had reached the point of exasperation with his accountant. The insolent and insubordinate conduct of Barton had prevented Parry from compiling a general account of the Company's affairs in New South Wales. Towards the end of the month he ordered Barton to surrender all books, possessions and other papers belonging to the Company. By June Parry had decided to send all accounts to England for scrutiny and assessment. On 2 July he appointed William Wetherman, John Armstrong and James Ebsworth as a committee to keep the accounts 27 and on 4 July Barton was told to return to England.

Barton's friend, William Burnett, the Superintendent of Agriculture, also showed signs of insolence and awkward behaviour. Although Burnett had carried out useful work in establishing a camp at Booral for the prisoners engaged in clearing land, preparing ground for cultivation and superintending activities in

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25 Report of Committee to investigate Mr Dawson's accounts, 17 March 1830, encl. in Parry to Court, 22 April 1830, ibid., pp.281-82; see Parry to Barton, 14 April, encl. in Parry to Court, 22 April 1830, ibid., pp.279-80.

26 J. Bowman et alii to Parry, 31 May 1831, encl. in Parry to Court, 21 June 1831, 78/1/12, pp.117-19.

27 Parry to Court, 14 May 1831, 78/1/11, p.1; Parry to Barton, 25 May 1831, encl. in Parry to Court, 7 June 1831, 78/1/12, p.57; Parry to Court, 21 June 1831, ibid., p.76; General Order, 4 July 1831, encl. in Parry to Court, 8 July 1831, ibid., pp.138-39.
the agricultural department, he displayed a penchant for creating trouble. In some way, Burnett and Barton seemed to be leagued together. During the early months of 1831 they both did their utmost to prevent Parry bringing their departments under his own control.28

The dismissal of both Barton and Burnett was an example of an extreme move made by Parry in his attempt to introduce order and efficiency. There can be little doubt that Parry's strong minded personality would brook no opposition as he moved towards his aim of central executive control. Parry's clash with Barton can be seen as a smaller scale reflection of his later dispute with Mitchell over the alternate land grants. There were elements of determination and stubbornness in both the personalities of Parry and Barton which exacerbated the situation but beneath the surface reality lay a very important political principle. Barton was convinced, almost to the point of obsession, of the independence and autonomy of his office as accountant. He did not seem willing to concede the overriding authority given to Parry in the new office of Commissioner. It was this strong sense of conviction on the part of both men which led to Barton being sent back to England and to his being dismissed by the Court.

Barton, of course, blamed Parry for his dismissal. Not only did he persist in a determined defence of his own position but he issued three pamphlets defending all his actions while in the service of the Company.29 Prior to his dismissal a summons for assault had been taken out against Barton. It was alleged in a Quarter Sessions hearing that Barton had physically assaulted an

28 Burnett to Parry, 9 June 1831, encl. in Parry to Court, 15 July 1831, ibid., pp.175-76; Parry, Journal, 5 July 1831, vol.2, pp.34-35.

assigned servant named William Farrel. Although Barton had been found not guilty his subsequent dismissal strengthened his feelings against Parry and resulted in the publication of two pamphlets by him in 1832 entitled The Memorial and Justification of Mr. Barton and Report of a Trial upon an Indictment promoted by Captain Sir W. Edward Parry, R.N.. In both these publications it is apparent that Barton's awareness of the need for strict methods of accounting had led him to exaggerate his own role in the total system of administration. These pamphlets were followed by another in 1833 entitled The Affairs of the Australian Agricultural Company recapitulating the points of the previous publications and stressing the need for accurate methods of accounting if the Company were not to flounder. What the pamphlets do not state is that Parry was the last to deny this point; in fact, this was Parry's constant object during the months from January 1830 till May 1831 when Barton's insolent behaviour and refusal to acknowledge the Commissioner's authority led to his dismissal - a move which had been suggested earlier by the Court.

When his three pamphlets did not bring about his avowed object of proving the correctness of his position Barton returned to New South Wales and brought actions against Parry in the Supreme Court. These cases were heard in March 1834 as Parry was preparing to leave the colony for England. They accurately reflected the difficulties faced by him in the early years of his administration. The first case of Barton v. Parry was heard before Judge Dowling and a special jury. This was a case of libel and malicious prosecution alleging damages arising from the method in which Parry had brought charges against Barton in 1831 in the case against Farrel. The jury gave a verdict for the plaintiff on the first count, damages one farthing; and on the second, a verdict for the defendant. Two days later, 29 March, a second Barton v. Parry case was brought to recover compensation damages for loss of the plaintiff's assigned servant. The jury returned a verdict for the defendant. Barton withdrew a third case against Parry for non-fulfilment of his contract. The tenor of all these cases, like that of the three pamphlets, is that Barton did not concede Parry's
new mode of control arising out of the greater powers delegated to the Commissioner by the Court of Directors. This mode of authority superseded the powers previously given to Barton, a political point which Barton would not concede.  

After the dismissal in April 1831 of Barton, and his associate, Burnett, Parry experienced little difficulty in making his power felt in all fields of the Company’s endeavours on the pastoral estate and at the colliery. By the end of 1831 the office of the Commissioner was firmly established in day-to-day administration. All policy decisions either found their origin with him or were relayed from London through him. They were then implemented through an efficient chain of command through trusted and proven officers - a process which can be best seen in the reorganisation of the pastoral estate. Parry’s strong sense of duty and his development of a central executive office soon made him aware of the anomalous situation faced by the Company in its relationships with the Government. The geographical location of the pastoral grant and the lack of settlement on the Manning River and in southern New England in 1830 meant that, by default rather than conscious intention, the Commissioner became a local government authority for a large area east of the Hunter Valley and north of Newcastle. While this was an undoubted boon to Sir Richard Bourke and Colonial Secretary McLeay it posed problems for Parry. From the earliest days at Port Stephens in 1826 the Company had consciously striven not to seek extra-jurisdictional privileges. Its role was to aid the settlement and development of the colony and Parry, like Dawson, had no desire to see the Company develop into an autonomous and self-contained colony within the larger colony of New South Wales. Parry was determined that the Company would fit harmoniously into the larger unit and be regarded as such an element. An example of the problems faced in achieving this end can be seen in the role of the police on the Company's estate.

30 S.H., 3 April, 1834, p.2.
31 Encl.2 in Court to Committee, 5 July 1824, 78/9/1, p.27.
Initially, Dawson had requested the transfer of a corporal's guard from Soldiers Point, opposite the Carrington area, to the Company's settlement. While the prime role of this guard was to intercept escaping convicts from Port Macquarie making their way overland to the Hunter Valley and the Hawkesbury, its transfer to Carrington guaranteed the security of the Company's settlement as well. The soldiers performed police functions on the Company's estate but retained an independent role as servants of the Crown. When Parry arrived at Port Stephens, Lieutenant Donelan, of the 57th Regiment, was in charge of the post and was also resident magistrate at Carrington. In this latter role he was paid by the Company. Parry, in his office as Commissioner, also performed the duties of a magistrate.

This harmonious situation existed until October 1830 when Colonial Secretary McLeay advised Parry that the Colonial Treasury would no longer pay the salaries of the two free Government constables. The Company would be obliged to provide their salaries. Parry immediately protested on two grounds: one the minor point arising from the economic difficulties still faced by the Company; the other a very important constitutional principle. Government salary had been the only sign that the police belonged in any way to the Government. To Parry to withdraw payment was unjust and unconstitutional. The Company, as the largest settler in the colony, was deprived of privileges which the meanest settler could claim: the protection of the laws at the public expense. Parry was determined not to bear the brunt of this additional expense because it was taxation without the reception of an equivalent gain. Constitutionally the Government could not expect to exercise control over a police and magistracy whom they did not pay. With the pending departure of Lieutenant Donelan and his regiment from the colony Parry was undecided whether the Company should pay the Magistrate any longer. For

32 Dawson to Col. Sec., 17 February 1826, A.O.N.S.W. 4/6976.
33 Parry to Court, 23 January 1830, 78/1/9, p.55.
the moment it was not possible to resolve this impasse, although Parry fought hard and long over what he saw as an important issue. 34

Throughout 1831 he barraged both Secretary of State and Governor with submissions on the case. By early 1832 he was ready to seek a definite answer on the constitutional position of the police detachment on the Port Stephens Estate. Lord Goderich and Governor Bourke had admitted the justice of a principle which Parry had striven to establish: the servants of the Company were entitled to protection at the public expense. Parry now made further suggestions: the Government should maintain six mounted police, including one non-commissioned officer, upon the estate. These men should be divided into two detachments, with headquarters at Carrington and Stroud. The Government should maintain one free constable. An officer should visit each station once a fortnight to dispose of any magisterial business outside the jurisdiction of the two magistrates in the Company's service. Parry proposed that Captain Moffatt's detachment from the 17th Regiment should be withdrawn and that the Company should maintain, at its own expense, two watch house keepers, one scourger, one police clerk and two other constables; the Company would also pay various administrative costs. Parry judged that these suggestions would rectify the unconstitutional position under which the police were currently operating on the estate. Parry's submission was laid before the Executive Council by Governor Bourke but was modified considerably. Bourke considered the recommendations inadequate and determined to supply police and constables. The Governor recognised the special conditions prevalent on the Company lands and acknowledged their investment of a large capital in New South Wales. For this reason the Company was entitled to particular consideration. The submission led, at least, to the recognition of the need and right for a Government Police Force at Port Stephens. 35

34 Parry to Court, 1 November 1830, 78/1/10, pp.57-58; Murray to Darling, 5 May 1830, H.R.A., S.1, vol.XV, p.466; Darling to Murray, 13 July 1830, ibid., pp.581-84.

35 Parry to Court, 3 March 1832, 78/1/12, p.623, and encl. in Parry to Bourke, 1 March 1832, ibid., pp.627-33; Bourke to Goderich, 3 May 1832, H.R.A., S.1, vol.XV, pp.637-38; Col. Sec. to Parry, 27 April 1832 and Parry to Col. Sec., 5 May 1832, encl. in Parry to Court, 5 May 1832, 78/1/12, pp.678, 687-88.
In spite of this political settlement of the question nothing was done in practice. The same anomalous situation of the Company paying Government employees persisted. At Parramatta, in June 1832, after the heated conference over the alternate land grants, Parry again raised the issue. No satisfactory compromise was reached on the problem of either the police establishment or the magistrates at Port Stephens. This drove Parry to political action. Governor Bourke's refusal, or inability, to come to a practical arrangement on the police establishment was an anomaly which could not be permitted to continue; Parry informed Captain Moffatt, the resident magistrate at Port Stephens, of immediate reductions in expenditure. Parry took these steps with the intention of showing the whole unconstitutional position in its true light. Even though the situation was degrading to any magistrate, and especially to a military magistrate, it was proper, in practice, for Parry to consider the police as simply one of the departments of the Australian Agricultural Company: the magistrates and constables were in practice servants of the Company and not servants of the Crown.

Not till 1833 was a solution achieved. During September the Colonial Secretary informed Parry that the Secretary of State agreed to the appointment of a stipendiary magistrate and a constabulary at Port Stephens substantially along lines proposed by the Commissioner in March 1833. In addition, Governor Bourke proposed to withdraw the military detachment on the basis that the change of location had been authorised by the Secretary of State. Parry had suggested the withdrawal of the infantry detachment and its replacement by a smaller number of mounted police. Parry could not consent to the complete withdrawal of all military force because of the Aboriginals' great dread of the military. The maintenance of this feeling was absolutely essential to the security of persons and property scattered over the wide lands held by the Company.

36 Parry, Minutes, 4 June 1832, encl. in Parry to Court, 31 August 1832, 78/1/13, pp.205-206.
37 Parry to Court, 19 June 1832 and encl., 78/1/12, pp.749-56; Parry to Court, 11 August 1832 and encl. 78/1/13, pp.99, 145-53; Parry to Court, 26 July 1832, and encl. ibid., pp.75-77, 79-83.
Repeated attacks had been made by the Aborigines upon servants at the various stations up country so the Commissioner had solid grounds for his appeal. For Bourke to base the withdrawal of the military on the change of grants, as he did, was fatuous: no portion of the land east of the Stroud-Gloucester valley abandoned by the Company in February 1831 had ever been occupied by their employees. Parry again requested the appointment of a non-commissioned officer and three privates of the mounted police to the estate. This request was granted in December 1833 with the stipulation that the infantry remain on the estate for a time. 38

Parry's aim in establishing control was not sought as an end in itself but as a means of guaranteeing the success of the corporation. In particular, Parry's aim was to create a happy and contented labour force. Parry's endeavours in this field were undoubtedly influenced by the force of his own personality with its typical early Victorian religious outlook inherited from his mother. His biographer has described this as an infectious enthusiasm and trust in God, and as an evangelical piety that increased with age. 39 This aspect of his character was clearly reflected in his attitude to the employees, both convict and free, on the Company's estate. Allied with his aim of central control it resulted in a paternalistic concern for the Company's employees that went much further than the economic relationship of master and servant.

During his first month at Port Stephens Parry was clearly disturbed over the low tone of religious and moral feeling amongst the inhabitants. The small attendances at Sunday services disturbed him. Following the pattern established during his years of exploration in the North Sea and in Arctic waters he determined

38 Col. Sec. to Parry, 16 September 1833, ibid., p.753; Parry to Col. Sec., 28 September 1833, ibid., p.754; Parry to Court, 24 September 1833, ibid., p.724; Col. Sec. to Parry, 2 December 1833, ibid., pp.877-79; Parry to Col. Sec., 30 December 1833, ibid., pp.880-81.

to change these habits of the servants by constant example and service. His expressed aim was that this policy would lead to the erection of churches and schools on the Company's estates and the concomitant rule of peace and order. He gleaned that the better disposed servants were anxious to have a school for their children. Parry knew that by catering to this desire he would gradually obtain contented servants and, thereby, a happy labour force.\textsuperscript{40}

At first, this concern found expression in the rather negative policy of rooting out what his evangelical mind regarded as evils. He quickly noted that the serious offence of selling spirits without a licence was prevalent amongst the Company's servants. This practice had begun in the latter months of 1827 but was still common when Parry arrived at Port Stephens. Parry, in his capacity as Commissioner and magistrate, at once took steps to lessen this "illicit and ruinous custom." This was only one of the more obvious works undertaken by the Commissioner as he began the arduous task of establishing a system of order and efficiency throughout the estate.\textsuperscript{41}

After quickly establishing his authority amongst most of the servants, even if not among some officers such as Barton and Burnett, Parry adopted a system of gratuitous payments to encourage the men to harder work. He later established a regular pattern for the hours of labour upon the agricultural estate. This order abolished the previous practice of servants breaking off work to go to breakfast by arranging an early breakfast before work. His reforms touched all sides of the daily affairs of the Company. For example, he introduced various regulations in the medical department at Stroud and stationed a convict surgeon at that settlement. Surgeon White's assignment to Stroud added to the comfort of the servants at Booral, Stroud and the stations

\textsuperscript{40} Parry to Court, 23 January 1830, 78/1/9, pp.55-56.

\textsuperscript{41} Ibid., p.55; James Macarthur, Journal, December 1827-January 1828, 78/1/6, Entry for 23 December 1827.
beyond to Gloucester. 42

At the same time, Parry and Isabella, his wife, strove to improve the moral and spiritual welfare of the servants, free and assigned. They were especially anxious to obtain the services of a good minister of the Church of England. This desire was a constant part of Parry's policy. By early 1832 the externals of religion were being observed with services twice every sabbath at Carrington and Stroud and once at Booral but Parry was anxious to see a zealous minister in constant residence on the estate to guarantee lasting benefit. Parry had not approved of the 1830 arrangements between the Court and Colonial Office on the land exchange whereby the Company would be bound to contribute £300 per annum from each of three estates for the support of clergymen. He was pleased when the Ripon Land Regulations of 1831, forbidding the alienation of Crown Land except by auction, put an end to these negotiations. Parry then entered into discussions with the Reverend Samuel Marsden, President of the Council of the Church Missionary Society in New South Wales. Parry suggested to Marsden an alternative arrangement, which would free the Company of any involvement with the Government over matters affecting the Church. Such involvements led only to constant complications as had been shown by previous negotiations over police. Marsden agreed that the Church Missionary Society would nominate a zealous, active and young minister; he would be sent from England at the joint expense of the Society and the Company. This minister would reside at Stroud and periodically visit the few persons attached to the string of sheep stations to be established on the Liverpool Plains and in the Peel Valley. 43

42 Parry to Court, 26 August 1830, 78/1/9, pp.722-23; Parry to Court, 20 September 1830, 78/1/10, pp.1-3, 6, 8, 10, 36-38 ff., 55-56.

43 Parry to Court, 14 May 1831, 78/1/11, p.57; Parry to Hart Davis/Extract, 8 February 1832, 78/1/12, pp.744-47; C.M.H. Clark, Select Documents, pp.222-25; P. Burroughs, op.cit., pp.35-75; J.J. Eddy, op.cit., pp.213-32.
Not till 1836 did these plans come to fruition with the arrival at Stroud of William Macquarie Cowper. Until August 1833 Parry depended on the periodical visits from Newcastle of the Reverend C.P.N. Wilton. Between August 1833 and 1836 the Company engaged a resident chaplain under an arrangement which served as a useful example of Parry's outlook. Rev. Charles Price, Congregational Minister, became chaplain on 1 August. For seven weeks Price had ministered to the Congregation in Sydney until the arrival of Rev. William Jarrett. Price then offered his services to Parry who, satisfied of Price's character and qualifications, made an arrangement with him, initially, for one year. Price agreed to conduct the Sabbath service and administer the Sacrament of the Lord's Supper according to the Liturgy of the Church of England. He could not, in conscience, conform to the services of this Church in the manner of conducting the baptismal service because they invoked a belief in baptismal regeneration and the need for sponsors other than the children's parents. Parry agreed with Price that the former of these beliefs was contrary to Scripture and the latter was not required by it. Further, he did not envisage any friction between the chaplain and the Company's servants on these issues. On 22 December 1833 Parry achieved "one of his fondest aims" when he and Isabella attended the opening of the chapel at Stroud dedicated to St. John.  

Parry was thus closely concerned with much more than the mere economic employment of men as servants. As settlement gradually moved north from Carrington to Booral, Stroud and Gloucester, Parry concentrated his attention on the establishment of a good school at Stroud. As yet no married men were employed at Gloucester and he was able to regard Stroud as the centre of these endeavours. A temporary school was maintained at Carrington with a part-time teacher pending the abandonment of that settlement.

44 Dumaresq to Court, 25 February 1836, 78/1/15, pp.430-31; Parry to Court, 26 April 1833, 78/1/13, pp.525-27; Parry to Court, 10 August 1833, ibid., pp.639-40; see article by G.M. Lockley on Charles Price, A.D.B., vol.2, pp.350-51; article by H. Marshall on Charles Wilton, ibid., p.613.
The Stroud school, under an assigned servant named Burton, quickly achieved a reputation for efficiency. In 1830 a Savings Bank had been established at Port Stephens. Parry hoped that salaries would now be wisely invested and not squandered on spirits. A Post Office was opened at Carrington the following year.

Parry regarded all his achievements on the estate, such as schools, churches, bank, post office, police and magistrates, regular working hours and strict control of policy making, as the means by which he would civilise the free and assigned servants of the Company. To miss this fact is to neglect an important component of the man's outlook on life. Parry, motivated by a strong sense of duty and a compelling awareness of responsibility, strove to impart these qualities to others.

In particular, Parry imparted this outlook to the officers who served under him in positions of authority and responsibility. He welded the officers into a loyal and co-operative group and handed down to his successors a highly competent and successful team. Such men as Charles Hall, the Superintendent of Flocks, and his brother Henry, Superintendent of Agriculture in place of the troublesome Burnett, enabled Parry to develop a spirit of co-operation between two very important departments of the pastoral estate. Henry Hall later became Superintendent of Stock for the cattle and horse departments, and aided in the later expansion of these departments to the inland selection. James Ebsworth, after a brief holiday in England, returned to Carrington during 1831 with a young wife. Ebsworth quickly developed into a capable accountant and assistant Commissioner to the extent that he was on more than one occasion called upon in later years to fill the

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45 Parry to Court, 28 February 1828, 78/1/12, pp.572-73.

46 Parry to Court, 14 May 1831, 78/1/11, p.57; Parry to Court, 10 August 1830, 78/1/9, p.665; The New South Wales Calendar and General Post Office Directory 1832, Facsimile edition, The Trustees of the Public Library of New South Wales, Sydney, 1966, p.178.
responsible office of Acting-Commissioner. At the colliery these men were matched by such men as John Henderson and William Croasdill. By the end of 1832 most of the officers on the pastoral estate were resident at Booral and Stroud close to the centre of operations on the pastoral estate. At these centres of settlement they worked closely with the free and assigned servants on the agricultural lands and at the pastoral stations endeavouring to foster Parry's concept of hard work.47

This task was made difficult by the unstable nature of the work force. Shortages of men continually hampered and cramped operations in every department. As early as September 1830 servants discharged from time to time as a consequence of gaining certificates of freedom or receiving tickets of leave almost exceeded the number assigned to the Company.48 Parry requested Governor Darling to re-establish a former regulation of assigning 25 prisoners to the Company from every newly arrived ship until the requisite number was furnished. Requests for prisoners in 1830 were so numerous and pressing that it was not possible to assign so large a number of men from each ship. Parry knew that the social and economic development of New South Wales had changed so quickly in the six years since the formation of the Company that it would face a difficult labour problem as its activities expanded. Governor Darling, aware of the undertaking between the Company and the Colonial Office, guaranteed to assign as many men as possible and as was compatible with the scope of the Company's operations. Men would also be assigned from convicts disposable in the road parties.49

47 Parry to Court, 26 September 1831, 78/1/12, pp.252-54, 260; Parry to Court, 28 October 1831, p.332; Parry to Court, 12 October 1832, 78/1/13, p.295.

48 Parry to Court, 20 September 1830, 78/1/10, pp.8-9.

49 Parry to Court, 27 September 1830 and encl., ibid., pp.135-36.
In spite of this undertaking, departures almost equalled arrivals during 1830 and 1831 and the situation scarcely altered in later years. In the period 1 May 1832 to 31 July 1833, 5,020 convicts had been assigned to private settlers: out of this number, the Company had received a mere 30: 13 of these were above 18 years of age; 4 were aged 18 and 13 were under 18. Four of these latter were not yet 14 years old. For the most part these men were unskilled. During the same period 77 servants had been discharged from the Company's service: 67 had gained their certificates of freedom or obtained tickets of leave. Only 8 of these had been retained on salary in the service of the Company. The nett result was a decrease of 47 servants at a time when efforts were being made to expand all the Company's departments and to establish a new station at Warrah. As if this were not enough, the Company was bedevilled with inefficient men. Newly assigned convicts, trained as shepherds, frequently lost themselves and the sheep in the bush; they were often away from the hurdles all night when the warrigal or native dogs dispersed the sheep and tore them to pieces. Parry found it necessary to be firmer with these men. It was still necessary as late as May 1833 to bring shepherds before the magistrates on charges of extreme carelessness. One convict, for example, boasted that he had cost the Company 200 sheep.50

In spite of these problems Parry was still able, through his rigid system of control and strict attention to economy, to bring the pastoral estate to a stage of considerable achievement. This can be seen from an assessment of stock figures towards the end of his term of office. When Parry arrived at Port Stephens there were 21,365 sheep, 245 horses and 2,227 cattle. By the end of September 1833, the Company possessed 40,486 sheep, 289 horses, 56 ponies and 2,780 cattle. Its agricultural department had

50 Parry to Col. Sec., 8 October 1833, encl. in Parry to Court, 26 November 1833, 78/1/13, pp.783-85; Parry to Court, 2 February 1833, ibid., pp.396-98.
prepared 325 acres for crops to be grown on the estate. In order to appreciate the extent of his achievements in spite of a severe labour shortage it will be necessary to look at the pastoral estate in some detail.

When Parry arrived at Port Stephens in January 1820 the Company's pastoral operations were in an uncertain position due, in the main, to continued doubt about the nature of the land and the suitability of pastures. Sheep were scattered over thirteen runs at Telligherry, Golden Valley, Campbell Valley, Tookes Range, Macarthur's Range, Avon River, Gloucester Valley, Gloucester River and the Barrington. Following the extension of runs into the northern end of the estate there was a marked improvement in the condition of the flocks. At the same time, there was still serious ground for concern. Scab, a fungoid affliction, still prevailed among three of the crossbred flocks and Charles Hall did not know how to treat it. In the horse department the bulk of activities was confined to the horse station established at Pindyambah, on the north shore of Port Stephens. There had been, as yet, little serious attempt to develop the horse stud. The cattle were in reasonable condition but the former breakdown of management and administration had resulted in large numbers breaking loose from the main herds and wandering wild in the hills and forests between the Stroud-Gloucester valley and the coastline. In the department of agriculture little long term work had been achieved except the clearance of some brush land at Stroud. Parry was astounded at the labour resources expended upon No. 1 Farm, a virtual swamp in the hills immediately beyond Tahlee and Carrington. An examination of each of these departments will enable us to assess Parry's achievements and to sum up the total progress made in the pastoral operations of the Company during the period of his administration.

51 Stock Returns, 30 September 1833, ibid., pp.987-93; Parry to Court, 10 August 1833, ibid., pp.642-47, Appendix D.

52 Return of sheep, 1 March 1829, 1/16; Parry to Court, 23 January 1830, 78/1/9, pp.53-57.
Parry's achievements in all these departments depended essentially on the trust he could repose in competent officers and in his solving of the land question. This meant, in essence, that during the first two years, 1830 and 1831, efforts were confined to a holding operation while the land question was being decided. After the successful discovery of suitable lands by the beginning of 1832 Parry was able to plan for future expansion to the inland stations even if political opposition to the grants in the interior meant that pastoral operations were confined, for the most part, to the coastal grant till the end of his period.

The sheep department was placed under the charge of Charles Hall, the Superintendent of Flocks, who resided at Telligherry, an open section of pasture land on the Karuah River just north west of Stroud. He was assisted by George Jenkin who resided at Gloucester. The thirteen runs between Telligherry and the Barrington were divided into two groups, one under charge of Jenkin. Gradually, the service facilities for the sheep department were transferred from the unhealthy Carrington flats to the Stroud region. A small shearing shed had been constructed during 1827 at Worwy south of Stroud but soon proved inadequate. During 1831 Hall constructed a large shelter shed at Telligherry to supplement the earlier structure at Worwy.  

During 1830 and 1831 the Company experienced heavy losses of sheep. In the third quarter of 1831, 568 sheep died from age, disease and accident. Parry was disturbed over these heavy losses. By November 1831 he placed more credence to continuing rumours that large numbers of aged sheep had originally been purchased in the colony. Reports on this theme had been circulating for some time; the full effects of purchases made by Robert Dawson in 1826 and 1827 were only being felt in a serious way during the second year of Parry's term. The Company thus entered the 1831 shearing season with several unsolved and serious problems in the sheep department.  

53 Parry to Court, 26 September 1831, 78/1/12, pp.252-54; Parry to Court, 4 November 1831, ibid., p.347.  
54 Parry to Court, 30 November 1831, ibid., pp.373-74, 377-78 and encl. in Hall to Parry, 23 November 1831, ibid., p.392.
The 1831 clip was smaller than in 1830. This factor was general throughout New South Wales and was attributed to the weather. On the other hand, the texture of the Company's wool was very clear and much improved in quality. Not a single sheep had been lost from scab during the shearing season. These changes reflected both the movement to the new pastures north of Stroud and the continuously improving shepherding techniques being employed on the runs. 55

The improvement in the texture of the wool indicated the marked improvement in the sheep department under Parry, Hall and Jenkin during 1830 and 1831. The Court had registered complaints about the first clip, shorn during November and December 1830, and offered for sale during 1831: this wool had arrived in England in unsatisfactory condition and the prices for fine wools had been extremely low in comparison with the coarser varieties. Charles Hall's comments on these complaints give an indication of pioneering conditions at the Gloucester end of the Port Stephens estate. One bale of wool shorn from scabby colonial sheep had been washed by the Aborigines and shorn by the shepherds. These fleeces, broken and damaged by scab, were neither classed nor breeched. They had not been intended for the English market as Hall estimated their value sixpence to eightpence per pound. These broken fleeces had inadvertently been sent to England where they sold for two and a half pence less per pound than the wool from the thoroughbred French merino ram fleeces which had received the utmost care and attention in washing and sorting. The Court also complained of grass seeds in the fleeces; these seeds impregnated the fleeces when the sheep fed amongst the ranges when pastures ran low around the stations. There were further difficulties: wet weather during shearing reduced the yolk - grease or natural fat - content of many fleeces. The tenderness of the 1830 staple resulted from the age of the sheep and continued breeding. Such sheep could not be expected to yield anything but light tender fleeces. 56

55 Parry to Court, 27 December 1831, ibid., pp.433-37 and encl. in Hall to Parry, 24 December 1831, ibid., p.445.
56 C. Hall to Parry, 18 February 1832, encl. in Parry to Court, 28 February 1832, ibid., pp.597-600.
These mixed successes in the sheep department - heavy losses accompanied by the gradual elimination of scab and the marked improvement in wool texture - caused Parry to delay any extensive examination of the quality of the flocks. It was not till he had completed the search for alternate land grants that he began to look closely at the flocks. During May 1832, Parry made an ominous discovery. After consulting various sheep returns Parry found that since his arrival in January 1830 there had been an increase of only 2,257 sheep to the Company's flocks; there had also been an average loss each quarter of 1,300 sheep. This alarming state of affairs demanded full and immediate investigation. Parry decided to appoint a committee to investigate this anomalous situation and to submit a detailed report. He informed Charles Hall of his intention. He then opened the latest despatch from London: a despatch which drew his attention to the irregular situation in the sheep department. Parry was struck by the coincidence. He appointed James Ebsworth, Charles Hall, William Wetherman, James Stacy and Thomas Ebsworth to investigate this serious matter.57

Parry entertained little doubt that the basic cause of both the small increase and the enormous decrease of the sheep would be found in the sheep purchased by Dawson in 1826 and 1827: rumours had persisted that these animals were aged and diseased; the shepherds referred to them as the "rotten old sheep". If this were so, the full effects still remained to be felt and would continue until all the rotten old sheep had died off and there were still about 4,000 of these sheep on the Port Stephens Estate.

At the end of August the committee presented its detailed and thorough report: this was the fruit of careful investigation covering all developments in the sheep department between 31 January 1830 and 30 April 1832. The conclusion of the five man committee was adamant that the small increase in the flocks was due chiefly, if not entirely, to the number of old and rotten sheep

57 Parry to Hall, 22 and 23 May 1832, encl. in Parry to Court, 1 June 1832, ibid., pp.715-17; Order to Committee, ibid., pp.719-24; Parry to Court, 1 June 1832, ibid., p.704.
originally purchased both in Europe and New South Wales. Parry regarded this unfortunate fact with pain and regret but also looked on the brighter side. The report showed that these causes were then ceasing to operate and were never likely to recur. Although numerically no progress had been made since 1830, in reality a very important qualitative change had taken place. On 31 January 1830, the Company possessed 11,933 ewes. Of these, 7,445 were old ewes incapable of bearing lambs. The remaining 4,488 were young ewes. On 30 April 1832, the Company possessed 12,696 ewes; of these, 4,013 were old and 8,683 young. In effect, this meant that besides a numerical increase of 763 ewes the Company had 4,195 more young and healthy ewes available for breeding than at the beginning of 1830. There was no reason why rapid increases should not henceforth occur in the flocks. 58

In spite of the disturbing facts unearthed by this enquiry Parry nurtured his optimism: he judged that whenever breeding was confined principally to the Company's own ewes the increase would be extremely rapid. It was likely that the period 30 June 1831 - 31 December 1832 would witness an increase of five to six thousand sheep by lambing. By 31 December the Company should possess a total of 32,000 sheep. The production of some 6000 lambs and the positive aspects of the 1832 Report boosted Parry's optimism about the future welfare of the Company's flocks. 59

The 1832 shearing season was marked by a new method of sheep washing. This device was proposed and invented by James Stacy, a Company employee. Under this method the sheep were washed in warm water, each animal passing through two tubs and then swimming across a stream. The tubs were supplied by a pump which raised the water level to equal with the level of the river bank. From the river bank troughs communicated with two boilers for hot water and a reservoir for cold. From these boilers and reservoirs water

58 Parry to Court, 11 September 1832, 78/1/13, pp.182-83. For report of committee, see encl., ibid., pp.218-78.
59 Parry to Court, 11 August 1832, ibid., p.96.
was regulated in the tubs by leaden pipes and stop-cocks. Under this method the tubs did the main washing and they could be maintained with low river levels - a great advantage given the dryness of the season.

Not only was this method quite inexpensive but it washed the wool to the required standard of cleanliness. Like all other methods the process did not rid the wool of the grass seeds and flowers of native shrubs picked up by the fleeces at all the sheep stations. Nothing could be done about this, given the native condition of the land and the impossibility, for some time, of clearing and cleaning the estates. As a temporary measure a few hundred acres between the washpool on the Karuah and the sheepshed at Telligiherry were cleared.\(^6^0\) Although the records do not state so explicitly, the difficulty caused by the burnt stumps and logs can be inferred to reflect the open nature of the forest country before the Company's settlement of the region. Aborigines were numerous in the Port Stephens region and regularly hunted the abundant wild life in the Stroud-Gloucester valley. Their hunting practices included regular burning of the lands as kangaroos, emus, bush rats and other animals were driven by the Aborigines into the heads of gullies. The expansion of the Company's pastoral activities gradually led to a lessening of this burning practice. This resulted in a return of undergrowth to the forests and the virtual closing of the forests for grazing purposes by 1846.\(^6^1\)

At the beginning of 1833 the Company began its pastoral operations in the interior. After shearing, William Telfer transferred 6000 lambs and ewes over the mountain track via the Pigna Barney River and the Barrington Tops to the new station established at Warrah Creek. After a fine feast of droving over a rough track Telfer arrived at Warrah during February with the loss

\(^{60}\) Parry to Court, 17 November 1832, \textit{ibid.}, pp.330-34.

\(^{61}\) Dawson, \textit{The Present State of Australia}, p.241; King to Court, 22 June 1846, 78/1/18, pp.671-73.
of only six sheep.  

The expansion of sheep grazing to the inland station marked the culmination of Parry's work in the sheep department. By the end of 1833 the flocks consisted almost entirely of sheep bred by the Company; for the first time since 1826 a very rapid increase could be anticipated.

Parry had been unable to make much progress in the cattle and horse departments before the dismissal of John Burnett, the Superintendent of Agriculture and Stock. After Burnett's dismissal in mid-1831 he appointed to the position Henry Hall, an efficient officer who soon reorganised these departments. Hall and his men rounded up the stray cattle running wild in the hills east of Stroud and established cattle stations at Bundobah, the Branch, Gloucester and Bulahdelah. This last station, east of the adjusted eastern boundary, was later abandoned. By the end of 1833 the herds had increased sufficiently to make the Company independent of future purchases.

Hall and Parry achieved a comparable reorganisation of the horse stud. In spite of earlier assessments that the land at Pindyambah was suitable for horses, plans were made at the end of 1831 to transfer the horses up country. The older stables at Pindyambah had proved decidedly unhealthy and resulted in the deaths of several valuable breeding horses. Parry then chose a new horse station at Alderley, between Booral and Stroud. New stables were completed at Alderley. When the horses were transferred a marked improvement in their condition occurred. Alderley was developed by Parry as the main breeding station for horses.

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62 Parry to Court, 12 October 1832, 78/1/13, pp.293-94; William Telfer to Chas. Hall, 4 November 1832, encl. in Parry to Court, 14 January 1833, ibid., p.412; C. Hall to Parry, 14 January 1833, encl. in Parry to Court, 14 January 1833, ibid., p.411; Parry to Court, 6 March 1833, ibid., p.458; W. Nowland to Editor, S.M.H., 23 January 1861, p.3.

63 Parry to Court, 26 September 1831, 78/1/12, pp.252-54; Dumaresq to Court, 18 July 1835, 78/1/15, pp.291-94.

64 Parry to Court, 9 January 1832, 78/1/12, p.463.
In the agricultural department early progress was made in clearing land at Booral and Stroud in an attempt to make the Company self-sufficient in grain. Within the first two years of Parry's administration several hundred acres of land were cleared and planted with such crops as wheat, maize and tobacco. By the beginning of 1832 the Gloucester Flats were cleared and maize seed planted. A fine water-mill was built at Stroud to aid the development of crop growing and to save the expense of double transport of grain to colonial mills and back to the estate. By the summer of 1833-34 the Company was producing good wheat crops at Stroud and Booral - at a time when the Hunter District wheat crop was a total failure from lack of rain. 65

This examination of the pastoral and agriculture departments bears out the argument that by the end of 1833 Parry had achieved considerable progress. With the aid of competent officers his methodical mind had brought order and efficiency into the Company's operations. Except for the important and far-reaching transfer of sheep to Warrah he had undertaken no marked expansion of these activities but had consolidated and ordered the work of his predecessors from 1826 to 1830.

The reason for this lack of innovation is clear: any rapid expansion of the pastoral activities depended on the acquisition of the inland grants and on a marked increase in stock numbers. In the first field Parry was blocked till September 1833 by the refusal of Bourke and Mitchell to cede the Company the alternate grants. The despatch that informed Parry of the Colonial Office's favourable decision on the land also informed him of the choice of his successor. Parry had been appointed Commissioner for a limited period - determined by his leave of absence from the Navy.

65 Burnett to Parry, 10 February 1830, encl. in Parry to Court, 13 February 1830, 78/1/9, pp.103-107; Parry to Court, 9 January 1832, 78/1/12, p.463; Parry to Court, 24 September 1833, 78/1/13, pp.721-22; Parry to Court, 28 October 1833, ibid., pp.768-69; Parry to Court, 26 November 1833, ibid., pp.775-77.
and for a specific purpose: to bring order into the Company's affairs and to choose alternate land if he deemed the original land unsuitable. Judged against the terms of his task Parry must be regarded as a very successful Commissioner.66

Parry handed over command of the Company to his successor in March 1834. On 20 May 1834, farewelled by Henry Dumesq and Phillip Parker King, he sailed out of Port Jackson on the Persian and returned to England.67

66 Court to Parry, 15 March 1833, 1/16; Court to Parry, 26 March 1833, ibid.; Parry to Court, 21 August 1833, 78/1/13, pp.679-80; Parry to Court, 28 August 1833, ibid., pp.685-86.

67 Dumesq to Court, 16 March 1834, 78/1/15, p.5; Parry, Journal, 19 March to 20 May 1834, vol.3, pp.1-23; Dumesq to Court, 4 May 1835, 78/1/15, p.252; Parry to Court, 19 May 1834, 78/1/14, pp.47-49; Parry to P.P. King, 21 April 1834, M.L. A3599, pp.72-75.
CHAPTER 6

HENRY DUMARESQ AND THE EXPANSION TO THE INTERIOR

Henry Dumaresq formally assumed control of the Australian Agricultural Company's operations in New South Wales on 18 March 1834. Dumaresq was well known in New South Wales. He was born in 1792, the eldest son of Colonel John Dumaresq of Bushel Hall, Shropshire, England and his wife Anne, née Jones. With his brother, William, he went to the Royal Military College, Great Marlow and served during the Peninsular War and in Canada. He served with the 9th Regiment attaining the rank of lieutenant-colonel in 1818. He took part in six battles of the Peninsular War, and served on Wellington's staff at Waterloo where he was severely wounded. His premature death at Tahlee House, Port Stephens, on 5 March 1838 was a consequence of this wound. While on service in Mauritius, in 1818-25 he became military secretary to General Ralph Darling, who married his sister Eliza. When Darling accepted office as Governor of New South Wales Henry was invited to become his private secretary and arrived in Sydney in October 1825 to prepare accommodation for the governor's party. Another brother, Edward Dumaresq, accompanied Darling as far as Van Diemens Land and William came with him to Sydney.

Henry Dumaresq was immediately appointed by Darling as clerk to the Executive Council. He also served as Darling's private secretary, a post he held with one intermission until 1831. In June 1827, following the Sudds-Thompson affair, Henry was sent with despatches to London attempting to influence the Colonial Office against the belief in the freedom of the press as held in New South Wales by the Australian and the Monitor. While in London he met the directors of the Australian Agricultural Company in which he had become interested through James Macarthur. This meeting later led in 1833 to his appointment as Commissioner. In 1828 he married
Elizabeth Sophia, elder daughter of Augustus Butler-Danvers and his second wife Eliza Bizarre, née Sturt, and half-sister of George, later the fifth earl of Lanesborough.¹

On his return to New South Wales in 1829 Henry continued to serve as Darling's secretary until the latter's recall in 1831. He continued as private secretary to the acting governor, Patrick Lindesay until Governor Bourke arrived in December 1831. Dumaresq then retired to his country estate, St Heliers, on the Upper Hunter near Muswellbrook. On his retirement Dumaresq devoted himself to his pastoral concerns and laid the basis for his later expansion of interests to Saumarez in New England in 1834. The estate at St Heliers was reputedly one of the best estates in the colony as Dumaresq was known for his humane and enlightened attitudes to convict employees. J.D. Lang judged that "the law on his estate is the law of kindness, and incitement to industry and good conduct are rewards, not punishments. As a result of such a system the men are sober, industrious and contented."²

As a person, Henry was renowned for his quick temper and great ambition. This made him many enemies but his warm humanity brought him many friends. His brilliant wit was tempered with good humour and his 'urge for great possessions' was modified by common sense. His powerful influence in the colony was exercised in large measure to the public good.³ At the same time he firmly believed in a hierarchical type of society where the lower orders kept their place. It is in this regard that he came in for a share of banter in Frank the Poet's "A Convicts Tour of Hell" as the hopping colonel (hopping because of a limp associated with his

¹ Article by N. Gray on Henry Dumaresq, A.D.B., vol.1, pp.333-35; Article on Henry Dumaresq, Australian Encyclopaedia, vol.3, p.308; Dumaresq to Court, 16 May 1834, 78/1/15, p.5; Parry to Court, 21 March 1834, 78/1/14, p.41.
² As quoted by N. Gray, loc.cit., p.334.
³ Ibid.
war wound) who punctually paid all arrears - a reference no doubt to his punctilious and efficient nature.⁴

Dumaresq was a person who did not take criticism lightly. Because of the family link between Darling and the Dumaresqs he came in for his portion of lampooning at the hands of the Sydney press. This was especially the case in the factionalised period after the Sudds-Thompson affair and before his departure for England in June 1827. Incensed by the tone of the Australian he challenged its editor Robert Wardell to a duel. Shots were fired but neither party was injured. His implacable opposition to the growth of democratic ideas found its strongest focus when Governor Bourke appointed William Charles Wentworth to the new Commission of the Peace in January 1836. Not only was Wentworth appointed as magistrate but several other magistrates of long standing were dismissed by Bourke. Dumaresq, consistently with his deep conservatism, would offer no remark on Bourke's exercise of authority in dismissing these men but he would not share the Commission of the Peace with Wentworth. He asked the Company for permission to follow the example of his brother William in tending to Bourke his resignation as a magistrate. Once again, the ghost of Wentworth's opposition to his brother-in-law's administration arose to torment him. Nor had Dumaresq forgotten Wentworth's invitation to the rabble of Sydney to attend a fete at Vaucluse to mark Governor Darling's recall: Dumaresq had been on the deck of the Hooghly when Wentworth and his drunken friends and guests assembled boats under the cabin windows of his sister's vessel, raised their poles with bullock heads insignia and shouted brutal and blasphemous denunciations against her husband.⁵ Dumaresq could not forgive this callous treatment of his sister and her children.

⁴ Frank the Poet, "A Convict's Tour of Hell", M.L. C967.

Such, then, was the character of the man who, in September 1833, was advised of his appointment as Commissioner to succeed Sir Edward Parry. Between September 1833 and March 1834 Dumaresq spent some time at Carrington and Stroud preparing for the transfer of power. This interim period was essentially a time in which Dumaresq mastered the management system developed by Parry. Although Parry had succeeded in establishing an efficient system of administration and in obtaining alternate land grants, the equally formidable task of building a structure of expansion on this foundation awaited his successor. Dumaresq knew that the Company's future would depend on his ability to bring the inland grants into effective operation. He would face major problems in transferring stock to the inland grants, in developing permanent buildings and providing adequate service utilities in all departments of pastoral operations, and in opening effective lines of communication between the coastal and interior grants. At the base of all these problems would be his major task of land utilisation. Dumaresq was also aware of the squattting movement which was beginning to gather momentum north of the Liverpool Ranges as the effects of long drought and recession eased by the beginning of 1834. He knew that the Company's occupancy of two large grants in this region must inevitably pose major problems of law enforcement and demarcation of boundaries. Although Parry had established the Newcastle coal mines on a sound footing Dumaresq anticipated further problems with labour shortage and inefficient operations as development of new pits and added installations continued. In short, the problems facing Dumaresq were formidable. We must now examine his handling of these challenges. This will be achieved firstly by an examination of the land, pastoral, agricultural and squattting questions. The next chapter will then deal with the coal, labour and management issues.

The land question facing Dumaresq involved the survey of the inland grant and the establishment of stations. The practical results of survey not only resulted in the discovery of lines of communication but led Dumaresq to attempt a further, but unsuccessful, exchange of land. Detailed survey of the land was obviously the first priority.
During November John Armstrong, now in private surveying practice in Sydney, had been authorised to undertake with a Government surveyor, James Ralfe, the final delineation, marking and description of the new lands. During January Dumaresq travelled to Warrah where Armstrong and Ralfe had begun their survey. After completing work on the Liverpool Plains grant, the two men travelled via Quirindi to the northern grant. They then marked out the northern area in Goulburn Vale, the valley of the Peel.  

While the two surveyors carried out their work Dumaresq familiarised himself with the two grants. After inspecting Liverpool Plains he visited the Peel to prepare for the future development of the region. He selected a place for the principal establishment and decided that it would be occupied in June when he made a second inspection of the interior. His favourable opinion of the Peel was confirmed on this visit during which he decided on the exact site for buildings at Tamworth. The spot chosen by Dumaresq at the confluence of Goonoo Goonoo Creek with the Peel had many advantages: the land on the flats could be used for either cultivation or grazing while the sloping ground behind Goonoo Goonoo Creek was well suited for buildings. Work commenced immediately on a shearing shed.

Once Armstrong and Ralfe had completed their survey of the inland grants the Surveyor-General's Department pressed for the formal relinquishment of the eastern section of the original estate. Although Parry had previously decided on the boundaries of this land subsequent survey had established the need for further adjustment. Ralfe, who had completed his previous work, awaited Mitchell's orders to return to Port Stephens and renew survey of the region.

6 Parry to Armstrong, 4 November 1833 and 9 December 1833, encl. in Parry to Court, 8 January 1834, 78/1/13, pp.855-61; Parry to Col. Sec., 4 November 1833, A.O.N.S.W., 4/6976. For details of the survey, see Appendix H.

7 Parry to Court, 21 February 1834, 78/1/14, p.22; Dumaresq later named this spot "Tamworth"; see Dumaresq to Court, 19 December 1835, 78/1/15, p.399: I perceive that I have hitherto omitted to propose that your Principal Station on the Peel should be named "Tamworth". I need scarcely mention that the name was suggested by the connexion which has so long subsisted between the illustrious Stateman, after whom the River is called and the Borough of "Tamworth"; Dumaresq to Court, 10 June 1834, Ibid., p.31.
Ralfe's and Telfer's Mountain Tracks between the Gloucester and the Peel, 1835 and 1836
Dumaresq was anxious to complete formalities but depended on the completion of Armstrong's charts and reports. Armstrong's maps of Liverpool Plains and the Peel were not completed till January 1835 by which time Ralfe was completing a preliminary topographical survey of the country beyond the western boundary of the Clergy and School Estate. This rugged land in the west of County Gloucester consisted of steep mountain ridges and associated narrow river valleys forming the approaches to the Mount Royal Range. Although Dangar, Nisbet, Hall and Parry had previously explored sections of this land Ralfe was the first to conduct a systematic, if elementary, traverse of the region. His main work, as part of Mitchell's desire to produce a topographic map of the colony, comprised a trace of the Karuah, Gloucester, Little Manning and Barrington rivers to their headwaters in the Mount Royal Range. Most of this land was useless for the Company's pastoral purposes but Ralfe's survey produced an unexpected boon in early 1835. While completing a trace of the Barnard River to its source in the Great Dividing Range Ralfe discovered and marked a path over the range to the head of Ogunbil Creek, a tributary stream of the Peel River. Ralfe had not only established the topography of the Barnard-Manning system for Sir Thomas Mitchell but had marked for the Company a line of road from the Gloucester towards the Peel. The importance of such lines of communication, Dumaresq knew, would be of major importance to future operations.8

8 Mitchell to Col. Sec., 30 August 1834, A.O.N.S.W. 4/6976; Perry to Col. Sec., 24 September 1834, ibid.; Col. Sec. to Dumaresq, 14 October 1834, 1/15; Ralfe to Surveyor-General, 30 June 1834, D.L. Add. 197; Ralfe to Surveyor-General, 26 January 1835, ibid.; Dumaresq to Court, n.d. January 1835 and encl. map, sketch of country between Gloucester and the Peel, 78/1/15, pp.176-78, 219. Ralfe's track passed from Gloucester Cottage over the river towards its junction with the Barrington. After passing over the Barrington just above the junction it veered west to a ford on Bowmans River and between Craven and Oaky creeks. The path then crossed over the mountain ridge and travelled along the south side of the Manning through Coneac to a ford between the Pigna Barney River and Dewitt Creek. It then passed along the top of the mountain ridge to Curricabark and thence towards the Barnard River near The Boombit Top. After crossing the Barnard below Sandy Gully it ascended the descending ridge of the Great Divide past The Gulf Spur and The Pinnacles to the top of the range. After crossing the top of the range Ralfe descended along the ridge between Ogunbil and Brandy Springs creeks till he struck the Ogunbil. At this point he ceased his trek.
The basic aim in all this survey work during 1834 and 1835 was to determine, with precision, the boundaries and exact locations of the Company's grants. As late as the end of 1834 Mitchell and Dumaresq wrangled over the boundaries for the coastal grant and these boundaries were not finally determined till October 1835. Mitchell, with his eye on the arrears of work in the Survey Department, was anxious to complete this matter as soon as possible. He calculated on the Company surrendering 562,898 acres of the original grant. Even though the coastal section east of the Myall River had not been included in the original estate it had been added for the sake of completion. As the Company had relinquished adjacent land, this strip would be subsumed by the Crown. Mitchell also hoped the Company would relinquish portion of the harbour land. 9

Mitchell's hopes corresponded, in part, with Dumaresq's plans. Like all sheep owners Dumaresq was aware of the inconvenience of neighbouring pastoralists close to the Company lands. He was conscious of the vast areas required for the successful rearing of numerous flocks. In his letters to the Court of Directors he emphasised that the selfish policy which had led to the Spanish Laws of the "Mesta" was known and felt in New South Wales. Dumaresq, in line with his preferred policy proposed to relinquish more land adjacent to Port Stephens in exchange for the Quirindi Valley between the Liverpool Plains and Peel River grants. The Company could thus connect its two inland grants by a valley containing land which Dumaresq judged the best he had ever seen. He also hoped to obtain the land on the east bank of the Peel opposite Tamworth to secure an unrestricted outlet through the Moonbi Valley behind Nemingha. As part of his overall policy Dumaresq planned to secure plots between Maitland and the Peel to provide staging stations for teams. He thought it would be necessary to purchase other land between the Gloucester and the Peel to forestall settlers from the Williams River who were turning their attention to the

9 Mitchell to Ralfe, 3 December 1834, 1/15; Dumaresq to Col. Sec., 10 November 1834, A.O.N.S.W. 4/6976; Dumaresq to Court, 28 October 1835, 78/1/15, pp.378-80.
the sheep pastures along the Barrington. 10

Admittedly, these plans reveal a ruthless concern to protect the Company's interests. This undoubtedly arose from Dumaresq's deeply held conviction that the corporation was an agency for the public good. At the same time his plan to relinquish harbour land at Port Stephens was not an irresponsible desire to alienate useless land. Dumaresq was firmly convinced of the potential of Port Stephens for private settlers. He judged the harbour shores and the banks of the Myall River contained sites for villages devoted to agricultural pursuits. Not only was the land suitable for fruit, vegetables and general farm products but it was close to an assured market in Sydney. Steamers, such as the William IV which visited Port Stephens on its route between Sydney and Port Macquarie, would provide fast access to the market. Dumaresq envisaged the day when the beautiful and commodious harbour of Port Stephens would become a scene of business and activity. 11

When Governor Bourke responded with decided coolness to the plan of exchanging Port Stephens land for the Quirindi Valley, Dumaresq merely changed his tactics. He swung his campaign towards the land opposite Tamworth. This proposal had the support of the deputy Surveyor-General who judged the Company's retention of the harbour land had exercised a strong effect in retarding settlement of the northern region around the Manning. The acquisition of the harbour land by the Crown would enable the Government to construct a road by Clarence Town to Port Stephens and aid the passage of settlers to the Manning and Port Macquarie. 12


11 Dumaresq to Court, 26 December 1836, 78/1/15, pp.547-48; Dumaresq to Col. Sec., 18 December 1836, encl. in Dumaresq to Court, 26 December 1836, ibid., pp.554-61.

12 S.A. Perry to Col. Sec./Extract, 30 January 1837, encl. in Dumaresq to Court, 30 March 1837, ibid., pp.587-89; S.A. Perry to Dumaresq, 25 January 1837, 1/15. For a map of the land proposed for exchange at Port Stephens, see 1/17/2.
Although Dumaresq persisted with his plan he realised, eventually, that the authority of the British Government would be needed to effect the exchange. The matter was settled in 1838 following reports that the districts of Liverpool Plains and the Peel River were to be thrown open for sale to the public. The Colonial Office would not accede to the request and the boundaries of the grants remained as they were surveyed four years previously.\(^\text{13}\)

Although the plan put forward by Dumaresq was not accepted by the Colonial Office the stages leading to its rejection undoubtedly helped to clarify the issue of the Company's role in the colony. The Company should be allowed to expand its operations only within the limits established by the original Charter and the land exchange agreement. The government fully realised the valuable work performed by such a corporation but was equally determined it should not extend its operations and move away from its role as a developmental corporation in a young colony.

The long term achievement of Dumaresq's office lay in the co-ordinated development of the pastoral activities of the Company by a related use of the coastal, Liverpool Plains and Peel River grants. This development did not mean a simple transfer of pastoral activities away from the Port Stephens lands and a concentration on the inland grants. Rather, it meant a more intensive development of the coastal grant in the region between Stroud and the Manning River allied with a slowly intensifying use of the inland grants. This development of pastoral activities was essentially one of developing the northern end of the coastal grant in conjunction with the Peel River grant as a sheep station once lines of communication were discovered between Gloucester and Tamworth. After some initial use of Warrah lands for sheep raising, the Liverpool Plains grant was used for cattle and horse grazing. The following discussion will

\(^{13}\) Dumaresq to Court, 21 November 1837, 78/1/15, pp.635-36; Cf. Perry to Col. Sec., 30 January 1837, A.O.N.S.W. 4/6976; Plunkett to Col. Sec., 7 October 1837, \textit{ibid.}; Memorandum no. 4386, A.O.N.S.W. 4/2676.2; Deas Thomson to Dumaresq, 14 September 1837, 78/1/15, p.630; Ebsworth to Court, 28 November 1838, 78/1/16, p.90.
show how Dumaresq laid the basis for this development and also taught the Company to contend with the serious problem of drought in the interior by co-ordinating development of the interior with greater use of the coastal grant. His main pastoral concern was, of course, with the sheep department but he also was concerned with cattle and horses. The gradual development of agricultural pursuits accompanied this progress. The discovery of lines of communication and the maintenance of an efficient system of management are essential elements of the story of adaptation to the conditions of the Australian environment.

When Dumaresq took charge the sheep department was in excellent condition. The 1833 shearing had been highly successful with the despatch of 270 bales of wool to England. This clip included the Company's first wool grown in the interior: 55 bales of Warrah wool were shipped from Newcastle. Close attention was paid to the first Warrah wool. It was dirty because of the drought conditions on the Liverpool Plains. Although many proprietors on the Upper Hunter, faced with the same difficulty, despatched their wool "in the grease" Charles Hall had attempted to wash the Warrah sheep with scanty supplies of hard water. On the positive side, there had been a marked improvement in the wool, especially from the sheep on Liverpool Plains. All flocks on both estates, at Warrah and Port Stephens, were very healthy: there was every prospect of a large and rapid increase of sheep.14

In spite of this auspicious beginning to operations in the interior, Dumaresq was soon forced to make an important policy decision. In June 1834 he instructed the shepherds to remove all inland sheep to the Peel away from the trespassing, scabby flocks of other settlers at Warrah. Company sheep were in excellent condition and he feared that there was high risk of infection. For the present, at least until Government extended application of colonial legislation outside the boundaries, Warrah would be occupied by cattle and horses. These changes in the land use of the inland

14 Parry to Court, 8 January 1834, 78/1/13, pp.835-38.
stations necessitated a transfer of superintendents. Charles Hall moved permanently to the Peel to take charge of this important station. His position at Tulligerry was taken by John Swayne who now controlled the six stations on the Tulligerry lands between Stroud and the Williams River.\textsuperscript{15}

The development of sheep stations on both the Port Stephens and Peel grants soon proved its worth at the 1834 lambing season when 13,000 lambs were dropped. Hall was especially pleased with the lambing at the Peel. He expressed satisfaction with the land occupied on the flats and slopes around Tamworth. Against the background of this intensifying use of the Peel Estate James Ralfe's discovery of a track between Gloucester and Tamworth a few months later assumed considerable importance. Dumaresq quickly realised the advantages of a direct link between the northern end of the coastal estate and the Peel grant. Not only could the Company utilise the valleys of good pasture along the route but it could prevent its occupation by Williams River settlers. Dumaresq, eager to capitalise on Ralfe's discovery, sent Swayne and George Jenkin to form sheep stations at Conneac and Curricula-bark. By securing these places Dumaresq could maintain a succession of runs along the 80 miles from the Gloucester to the Peel and prevent encroachment. At last the belief of Mitchell and Dangar in 1832 that a route would be found between Gloucester and Tamworth had been justified.\textsuperscript{16}

The subsequent story of Dumaresq's development of the sheep department revolves around the consequences of this, and a later,

\textsuperscript{15} Dumaresq to Court, 10 July 1834, 78/1/15, pp.53-54; Dumaresq to Court, 10 August 1834, \textit{ibid.}, pp.70-71.

\textsuperscript{16} J.E. Ebsworth to H.T. Ebsworth, 15 November 1834, \textit{ibid.}, pp.126-27; Dumaresq to Court, January 1835, \textit{ibid.}, pp.159-60, 176-80. Ralfe described 50 miles of this country as well watered, open tableland opposing no obstacles to drays. The broken country between Gloucester and the Manning and between the Manning and Barnard posed difficulties but Dumaresq hoped experience would overcome these problems.
line of communication. By the end of 1835 Dumaresq was convinced of the need for a better route. Although Ralfe's track had been reasonably satisfactory during the past year Dumaresq felt it would still be possible to find a more convenient line. To find a better route from the Gloucester to the Peel William Telfer was sent as soon as shearing was finished on an expedition to explore the land along the edge of the New England tableland above the north bank of the Barnard River. After eleven weeks exploration of this rugged forest land Telfer succeeded in finding a route from Giro to Nowendoc and thence to the top of the Dividing Range near to Ralfe's entry point at the head of Ogunbil Creek. Although this route ran more or less parallel to Ralfe's route it provided a better line than that followed by the latter up the course of the Upper Barnard River. Ralfe had shown the way with his 1835 route but the Telfer-Dumaresq line of 1836 was to provide an easier route for sheep, horses and men.17

17 Dumaresq to Court, 26 April 1836, ibid., pp.464-66, 467. Acting on a theory of Dumaresq, Telfer followed up the Barnard River to the high narrow valley around Giro explored by Nisbet, Dangar and Hall during 1831. Telfer then mounted the Dividing Range by the long, steep spur of the Hungry Hill to the tableland around Nowendoc. This tableland, separating the waters of the Manning from those of the Hastings and the Macleay, provided him with a means of access to the Peel. Telfer explored along the south bank of the Nowendoc River, across Mukki and Peel creeks, to the base of Whites Sugarloaf after which he followed down the ridge of the Hell-Hole to Nowendoc Junction. He then rode to the top of the present Port Stephens Cutting. Instead of travelling down the present Port Stephens Cutting-Topdale route Telfer came down the next ridge east into the valley of Dungowan or Ogunbil Creek. This was north of Ralfe's entry point (separated by Paradise and Shearing creeks) from The Gulf Spur and The Pinnacles. Telfer's route then linked with the established track down the Ogunbil to the Peel and thence to Tamworth and Goonoo Goonoo.

Unfortunately, Telfer did not hand down a detailed journal or report. The above description of the route is a composite built up from later reports and oral tradition carefully collected by Mr L. L. Green of Tamworth. I am especially grateful to Mr Green for clarification of the route in the area around the headwaters of Ogunbil Creek.

[William Telfer], "Early History of the Northern Districts of New South Wales, University of New England Archives" - typescript, pp.4-5; Memorandum to accompany the Survey of the road by the Little Manning and Barnard rivers to the Company's Station on the Dividing Range, P.G. King to P.P. King, 78/1/17, pp.1128-48; Letter to Editor, Maitland Mercury, 24 December 1859, p.4; Report on the road from Gloucester to Nundle, Elliott to Gregson, 27 October 1883 and A. Elliott, Tracing to accompany my report dated 25 (sic) October 1883, 1/144; Green to Atchison, 26 August 1971 [in personal possession].
Before it was rendered redundant by the discovery of Telfer's route, the line marked by Ralfe was to be of crucial importance during one very severe season. By September 1835 many of the sheep at the Tamworth station were threatened by a severe drought along the Peel. The situation was grim: after five days spent searching for suitable land for the lambing ewes Charles Hall found only one suitable spot. Communications between the different regions of the colony had been rendered almost impossible by widespread drought conditions in the interior. The advantages of an east west communication - the first such line over the Great Dividing Range - along well watered valleys soon showed its worth. Dumaresq directed that 20 bullocks be broken in to carry packs over Ralfe's mountain track to the Ogunbil.\(^{18}\)

Dumaresq made arrangements for reduction of the Peel establishment which consisted thus far of these runs and out-stations associated with the Tamworth and Goonoo Goonoo head stations. Although he had received gloomy accounts of the country, Dumaresq soon found the land above Maitland worse than anticipated. Drought conditions on the Peel forced him to make arrangements for washing and shearing most sheep at Stroud and Worwhy. All dry sheep would be brought down the mountain track while the lambing flocks would be left at the Peel. These dry sheep would be shorn as speedily as possible and then returned to the Peel. In the meantime, the sheep stationed at Telligherry and Gloucester would be shorn. By that time it would be possible to decide whether it was better to shear the lambing flocks at the Peel or make alternative arrangements. In spite of the scarcity of the grass the lambs reared at the Peel would exceed the numbers usually weaned. Dumaresq attributed this success partly to the fine lands in the valley of the Peel but more especially to good management and the activity of the men at Tamworth. His decision to shear many of the Peel sheep at Worwhy, made against a background of severe drought, set a pattern which would be maintained for many years. Until the restructuring of the Company in 1853 and the sale of the Peel Estate to the Peel River Land and Mineral Company many.

\(^{18}\) Dumaresq to Court, 10 September 1835, 78/1/15, pp.341-42, 348.
of the inland sheep were driven over the Telfer track to the coast for shearing. They were then returned to the Peel or replaced by equivalent numbers of sheep from the coastal estate. The combination of dry seasons in the interior and resultant water shortage was a factor in this practice. The economics of transport in pre-railway Australia, as will be seen later, was also a factor. During Dumaresq's term of office the practice was begun for the 1835 shearing. It was repeated in 1837 when 9000 fully-grown sheep were driven over the mountain track via Nowendoc and Giro to the new shed at Telligherry for shearing. In 1838, 7000 wethers from the Peel were shorn at Telligherry with 35,000 sheep from the coastal runs. 19

In 1835 the foundations for this practice were, however, still being laid. Bough yards were constructed on Ralfe's track by the labourers and artisans withdrawn from the inland. These yards facilitated the transfer of sheep. Although the experiment proved successful the mountain track was too rugged for the ewe flocks which were shorn at Tamworth. Following the discovery of Telfer's track Dumaresq decided to locate stations on the new line of road to facilitate the gradual transfer, to and fro, of stock and to provide a relief station in times of drought. Dumaresq's death in March 1838 prevented his seeing the realisation of this plan but James Ebsworth, his locum tenens, carried the policy to fruition. Dumaresq had, in 1837, established a station at Nowendoc, roughly half-way on the line between Gloucester and Tamworth but it was left to Ebsworth to establish two stations between Bowmans River, north-east of Gloucester, and Nowendoc. The formation of stations at Giro and Upper Barnard, with an out-station midway between the two, enabled the Company to strengthen its occupation of land between the northern extremity of the coastal estate and Telfer's route up Hungry Hill to Nowendoc and beyond to the Peel. The country in the valley of the Barnard River provided a most beautiful run for sheep and proved very successful in subsequent years. 20

19 Dumaresq to Court, 28 October 1835, ibid., pp.373-75; Dumaresq to Court, 21 November 1837, ibid., p.637; Ebsworth to Court, 26 October 1838, 78/1/16, pp.87-89.

20 Dumaresq to Court, 28 October 1835, 78/1/15, pp.378-80; Dumaresq to Court, 29 July 1837, ibid., pp.612-13; Dumaresq to Court, 24 August 1837, ibid., p.619; Ebsworth to Court, 26 June 1838, 78/1/16, p.55.
These stations were all part of the Gloucester section of the sheep department. The coastal estate comprised two basic sheep stations with associated runs. The southern station, centred on Telligherry, comprised six runs and provided most of the essential service facilities such as the shearing shed. In 1837 a larger shed was built at Telligherry to replace an earlier shed built in 1827 at Worwhy, south of Stroud. The northern section of the coastal sheep department was centred on Gloucester. The superintendent at the Gloucester was responsible for various stations and runs: those around the Gloucester and Barrington valleys as well as those on the Barnard River and at Nowendoc. He was also responsible for the sheep station formed at Gangat in 1835 near the Manning to command any sheep pastured on the land ceded back to the Crown. 21

During Dumaresq's term of office there was little need to expand activities at the Telligherry station. Most development of the sheep department on the coastal estate was concentrated on the Gloucester section which contained numerous scattered stations. The station formed in 1837 at Bowmans River proved excellent for stud purposes. All young ram flocks were moved to Bowmans River where the combination of abundant pasture and close attention to the vigour and health of the young sheep enabled the Company to develop a fine ram stud for breeding and sale purposes. 22

Dumaresq was satisfied with the character of all the sheep on the coastal estate. It was not possible to improve their quality to any extent and efforts after 1837 were confined to culling out in order to maintain a high standard. These sheep were classified according to place of origin as English, French, Saxon, colonial or cross-breeds and put under the charge of a station overseer. The stations were permanent locations along the valleys of the numerous

21 Dumaresq to Court, 28 October 1835, 78/1/15, pp.378-80; Dumaresq to Court, 25 November 1835, ibid., p.390; Dumaresq to Court, 24 January 1835, ibid., pp.568-69.
22 Dumaresq to Court, 24 August 1837, ibid., p.619.
rivers and creeks of the coastal estate. Huts and permanent yards were constructed at the headquarters of each station and, in later time, often formed the nucleus of villages and towns which developed after the Company's sale of this land. Usually there were seven men at each station: an overseer, cook, nightwatchman, and three or four shepherds. Each shepherd had charge of approximately 300 sheep — a figure rendered necessary by the broken, hilly nature of the country. These sheep were taken out of hurdles each morning and counted. They then walked a circuit of some 8 or 10 miles under the care of a shepherd. At night they were returned to the hurdles and folded for the night under the care of a watchman. There were numerous such stations attached to the Gloucester and Telligherry head stations. The overseer at each station was responsible to the superintendent who resided at either Telligherry or Gloucester. These two men, in turn, were responsible to the Superintendent of Flocks. This well developed system of administration resulted in good care of flocks on land which was mountainous in nature but which provided suitable pastures on hill sides and in the open forests.23

At the Peel, experience gained during 1835 enabled the Company to develop a different system with the inland flocks. Catarrh, an inflammation of the mucous membrane, had broken out in the colony for the first time during the previous year. The contagion, which first occurred near Boorowa on the southern tablelands, spread rapidly through the colony's flocks and carried off many sheep in County Argyle and in the Upper Hunter. During 1835 it appeared in the flocks at Goonoo Goonoo, the Company's second head station on the Peel. These diseased sheep were immediately removed and then constantly changed to different pastures. Frequent movement of the Goonoo Goonoo sheep made it impossible to convey hurdles to fold the sheep. This procedure not only enabled the Company to escape the colony wide contagion with the loss of a mere half dozen sheep but, quite fortuitously, to modify its previous practices at Warrah and the Peel. The overseer gradually dropped the use of hurdles and increased the number of sheep in each flock: two shepherds

23 Dumaresq to Court, 29 July 1837, ibid., pp.612-13.
were employed to each 1000 sheep. The advantage of wide undulating land on the Peel Estate lent itself to this practice which was extended to the runs attached to the Tamworth station.24

After the 1835 shearing and the regrowth of good pastures Dumaresq established a third head station on the Peel Estate. He arranged for 10,000 sheep to be driven to Canns Plains at the heads of the Spring and Middle creeks, tributaries of Goonoo Goonoo Creek. The establishment of this station secured effective use of the country in the southern half of the Estate. By 1842 the Peel Estate contained 22 sheep stations attached to four head stations and caring for 21,606 sheep. Each head station was under the specific care of an overseer while general responsibility for the whole estate was vested in the Superintendent of the Peel who resided at Tamworth from 1834 till 1841 when he moved to Goonoo Goonoo. During the period of Dumaresq’s commissionship, Charles Hall was Superintend- dent of the Peel. Hall’s good sense and careful management enabled the Company to achieve solid successes. Early in 1835 he intro- duced at each station a system of gratuity payments for the servants which engendered a spirit of rivalry and zeal amongst the stations. This quickly proved effective during the severe conditions prevalent that year on the Peel. While neighbouring squatters lost all their lambs and many of their ewes the Company’s flocks registered scarcely a loss. One maiden flock produced 98 lambs to each 100 ewes.25

The success achieved by the Peel Estate during 1835 and 1836 was largely due to Charles Hall but he was ably assisted by competent overseers in Thomas Hewitt and the Telfer brothers, Andrew and William. It was Andrew Telfer who, in 1837, successfully increased flock sizes at his station to 1500 sheep. These achievements at the Peel led

24 See Agricola, "Report on the Present Contagious Influenza; or Contagious Epidemic Catarrh among Sheep", Sydney Gazette, 29 September 1835, p.2; Dumaresq to Court, 28 October 1835, 78/1/15, pp.375-76.
25 Dumaresq to Court, 19 December 1835, ibid., pp.402-403; Dumaresq to Court, 28 October 1835, ibid., pp.376-77.
Dumaresq to have marked confidence in the future of the sheep department and to expand operations. As the movement of squatters north to New England and the Gwydir progressed there developed an extensive market for rams. Dumaresq decided to establish an inland breeding stud. By sending to the Peel some of its best flocks of French merinos the Company would build up a steady clientele amongst the northern squatters and effect a change in the animals used in its own flocks. The stud would, hopefully, produce an animal with more bone, better constitution and heavier fleece than at the ram station on the coastal estate at Bowman River. Rams of such character were eagerly sought. By the end of the third year of operations on the Peel the character of the stations as producers of high quality coarse woolled sheep was being established. Thus, under good management, the Peel Estate developed into a well run and efficient pastoral enterprise, specialising in the growth of coarse wools and the breeding of new strains of rams suited to the northern climate and soils.26

Dumaresq also experimented with breeding tests on the coastal estate. During 1837 the Company imported three rams and eleven Leicester ewes in an attempt to improve the blood quality of its sheep stock. This test had been recommended by the Court but Dumaresq felt uneasy about the plan to introduce a Leicester cross into the flocks. He knew that time and experience would decide the outcome so he proceeded cautiously with the experiment. By the end of 1838 his caution had shown its value. The cross produced mixed results: success with the pure bred Leicesters had not been great: only three had survived. On the other hand, a cross of 100 French and Saxon ewes with Leicester rams had proven its value: about 90 lambs had been produced from this flock. In spite of this attempt at crossbreeding the sheep department of the coastal estate specialised in pure bred sheep of English, French or Saxon origin. The wool from these sheep consistently produced the Company's finest wools.27

26 Dumaresq to Court, 24 January 1837, ibid., pp.566-68.
27 Dumaresq to Court, 24 August 1837, ibid., pp.618-19, 620; Court to Dumaresq, 14 March 1837, l/17/2.
Dumaresq, then, must be given the credit for bringing the sheep department into full and effective operation during his short term as Commissioner. His expansion of both the Port Stephens and Peel Estates was an achievement based on sound management techniques. His policy of production specialisation for coarse and fine wools and development of breeding studs was geared to market requirements. Thus, by the end of 1838 the sheep department was being run along established and proven lines. The Company had learnt to contend with serious droughts inland and on the southern section of the coastal estate by developing efficient lines of communication and rotating sheep around pastures. This efficient and wise use of pastures was not confined to the sheep department. Dumaresq's achievements in pastoral operations were reflected also in the cattle department and with the horse stud.

The removal of all sheep from Warrah to the Peel in June 1834 triggered new developments in the other two stock departments. The eastern portion of the Liverpool Plains Estate was used in conjunction with the southern section of the Port Stephens Estate exclusively for horses and cattle. This policy enabled Dumaresq to expand activities in both these departments. During 1834 sixty-one yearling fillies and foals were transferred from Port Stephens to the Plains. Dumaresq proposed ultimately, to send all the young horse stock to Warrah except the horses kept exclusively for the Indian market. He expected the horses would benefit in size and figure from the luxuriant summer feed upon the Plains. The removal of these animals to Warrah enabled Dumaresq to form a separate station on the Avon River for the young stallions. The brood mares were left on their run at Alderley, formed by Parry. By September 1835 the effects of these moves were becoming obvious. At Alderley, where Dumaresq classed the mares for the approaching covering season, he was very happy with the produce of the Cleveland horses out of colonial mares. Dumaresq was fully confident that, eventually, horses equal in figure and size to the best description of English hunting and carriage horses would be produced. 28

28 Dumaresq to Court, 10 July 1834, 78/1/15, pp.53-54; Dumaresq to Court, 10 August 1834, ibid., p.69; Dumaresq to Court, 28 October 1835, ibid., p.377.
To achieve a better classification of the brood mares and to obtain better pastures Dumaresq decided to remove half of the brood mares from Alderley northward to the Avon Valley. As the young stallions had previously been transferred to this area, land was enclosed to keep the colts separate from the mares. Fences from the rocky points of the steep hills between the Gloucester and Barrington rivers to the banks of the Gloucester were built to enclose paddocks of bush pasture. The colts and pure Durham cattle were kept in the paddocks while the mares roamed at large. These physical improvements were completed by early 1836 and enabled Dumaresq to remove seventy mares with their foals from Alderley to the Avon. Once these foals were weaned the mares were kept on the Avon station. This Avon station was attached to the Gloucester sheep station and placed under the superintendence of George Jenkin. 29

Parallel developments were effected in the cattle department. By August 1834 the disease "Black Leg", which had resulted in the loss of 220 cattle over a twelve month period, had disappeared. In the previous month 733 cattle had been transferred from Port Stephens to the Warrah lands in a policy move which would involve the fattening of cattle on the inland grant and the development of the Gloucester region as a high class breeding station for the Durham fine bred cattle. The pure bred Durham cattle were kept with the horse colts in the enclosed paddocks developed at the Avon and the Gloucester in the early months of 1835. 30

Within a year Dumaresq had successfully regained control of the cattle department. On the Port Stephens Estate stations were established at Bundobah, the Branch, Gloucester and Bulahdelah. Other cattle were kept at the Peel. The stations of increasing importance were at the Gloucester and the Liverpool Plains: 1300 head of cattle were kept at Warrah and 220 at the Yarramanbah heifer station. During the latter half of 1835 a bullock station was formed

29 Dumaresq to Court, 10 June 1835, ibid., pp.291-94.
30 Dumaresq to Court, 10 August 1834, ibid., p.69; Dumaresq to Court, 10 July 1834, ibid., pp.53-54.
on Phillips Creek. Dumaresq intended to eliminate the Bulahdelah station by removing cows and bullocks to Warrah. The Gloucester station would continue to be the station for the pure and half-bred Durham cattle. 31

Dumaresq felt pleased with the stations established on the new locations. Liverpool Plains was excellent for cattle: it combined the rich, spring pasture of the Plains with the sheltered gullies of the Liverpool Ranges. As soon as the Company was in a position to enforce uninterrupted possession of the land it would enjoy every pastoral advantage which the country offered, but as late as July 1835 numerous herds of squatters' cattle occupied the Company's lands. Until the government corrected the anomalous legal position of lands outside the boundaries it was impossible to guard completely against the inconveniences arising out of such a situation. In an effort to guard the Company's quality stock, Dumaresq had ordered his men to castrate all trespassing bulls and to impound all entire horses. Confident that the government would soon alter the legal position of these lands, Dumaresq preferred to temporize rather than assume the right which power as well as property conferred. He thus had not resorted to violent measures to rid the estates of trespassing herds. By early 1836, when the Scab and Impounding Acts became effective outside the Limits of Location, the land at Liverpool Plains was free of the trespassing herds of strange cattle and horses: there had been a large increase in the Company's herds on the Plains. 32

31 Dumaresq to Court, 18 July 1835, ibid., pp.315-16. The Bulahdelah station was on land which reverted to the Crown once the Surveyor-General decided on the eastern boundary of the Port Stephens Estate.

32 Dumaresq to Court, 18 July 1835, ibid., p.316; Dumaresq to Court, 19 December 1835, ibid., pp.403-404. These Acts became effective outside the Limits of Location on 1 March 1836. The Scabby Sheep Act was designed to prevent scab-infected sheep travelling over lands occupied by disease free stock. The Impounding Act, like its modern equivalent, aimed to prevent trespass of stock. See Act 6 Wil. IV No. 10, Government Gazette, 28 October 1835, pp.749-50.
By April 1836, then, the Company had achieved its long established reputation as a breeder of quality cattle: the Gloucester pure bred Durhams were undoubtedly the best cattle ever seen in New South Wales by that time. 33

Going hand in hand with this successful development of pastoral activities was the gradual formation of a successful, if small, agricultural establishment. This was achieved at two levels: by tenant farming and by developing agricultural operations alongside the larger pastoral concerns.

The system of tenant farming was developed to a considerable extent during the years 1834 to 1838. It was then more highly developed by Dumaresq's successor. Early in 1834 a portion of the southwest section of the Port Stephens Estate was leased as the first stage of the Company's plans to encourage settlers to work in conjunction with its larger operations. Lawrence Myles' lease of this land kept off trespassers from the Williams River region, prevented the cutting of cedar and permitted better use of the land. Two years later the Company's farm on the Williams River was leased to a Mr Newton and a lease of 40 acres of brush land was made to Thomas Nicholls, a Company employee. These leases were let with a conscious policy of establishing a system of tenant farmers upon the estate. In part such a system offset the disadvantages arising from the labour shortage. The lease taken by Nicholls had several advantages: the lessee guaranteed to clear land, make improvements and deliver to the Company any surplus grain. The Company, in turn, provided Nicholls with an assured market and enabled him to obtain the services of convicts from the Board of Assignment. The establishment of such a system of tenants enabled the Company to clear brush land and encouraged the settlement of respectable parties around Stroud. By helping respectable men with small capital to become tenants and reimbursing them for all substantial improvements, the Company enabled tenants to utilize their capital for further improvements. These improvement leases definitely aided.

33 Dumaresq to Court, 26 April 1836, 78/1/15, pp.463-64.
the growing independence of men such as Nicholls and later the Renwicks and Maytems who held them. 34

At the same time, the Company continued its own agricultural operations. Robert Dawson had earlier initiated the cultivation of land around Carrington, Booral and Stroud and this policy had been carried forward by Edward Parry. Dumaresq's prime aim was to grow grain on the inland grants and reduce their dependence for wheat and maize supplies from Stroud and Maitland. Drought conditions in 1835, 1836 and again in 1838 made this task almost impossible. In this situation land use at Booral and Stroud was geared more and more to agricultural production. Crops of wheat, barley, hay and maize were soon being grown. Ground at Booral was prepared for tobacco. A thrashing machine was erected at Booral and a kiln for drying of wheat and maize was built adjacent to the Stroud mill. Stores were built at Stroud to house goods carried by water to Booral wharf, completed in mid-1835. Gradually operations were moved away from Carrington. As a result of these operations Stroud assumed its important role as the headquarters of the Company. By 1837 Stroud had achieved its reputation of being one of the most pleasing and delightful settlements in the colony. Like the 'lang town o' Kirkaldy' this neat and elegant village consisted of a single street. The neat cottages of the Company's servants, with their flower gardens and shrubberies in front, gave Stroud the charm of a Massachusetts' village. Stroud would soon be regarded as the model inland town of New South Wales. 35

34 Parry to Court, 21 February 1834, 78/l/14, p.22 and encl. "Memorandum of Agreement between Sir W.E. Parry and Lawrence Myles of Wallabi Meadow, Williams River, ibid., p.31; Dumaresq to Court, 29 March 1836, 78/l/15, pp.448-55.

The co-ordinated and successful development of pastoral operations was achieved at a time when the squatting movement was gaining momentum throughout New South Wales. When the long drought, begun in 1827, broke in 1831 there was an upswing in the colony's fortunes. Favourable seasons and a revival in the English wool trade, combined with an inflow of settlers with capital to send men beyond the Limits of Location in search of pastures. By 1834 the colony was again on a prosperous footing. It was inevitable that on the open Liverpool Plains and in the Peel Valley there would be some interaction between the Company and the squatters who occupied the open lands within and around the Company's grants. It is in this connexion that claims have been made of the exploitative nature of the Company: it has been alleged that by ruthlessly dispossessing these squatters the Company showed little regard for the feelings of men who had pioneered settlements of the region. 36 I do not support these allegations.

When William Telfer occupied the original lease of 40,000 acres on the east side of Warrah Creek he made no attempt to displace squatter Thomas Parnell who held land on the opposite side. Parnell was still there at the end of 1833 when the Liverpool Plains grant was laid out by survey. When the Company obtained legal possession of the lands by grant in 1833 and began larger scale operations from the end of the year onwards no attempt was made to displace the trespassing herds and flocks of squatters. But the refusal of the government to extend the Scabby Sheep Act outside the Limits of Location until 1836 posed a definite problem, and it was this refusal that caused Dumasq to move all inland sheep from Warrah to the Peel. Even after horses and cattle were transferred from Port Stephens to Liverpool Plains the squatters' stock remained. It was against this background that Dumasq, in mid-1835, ordered his men to castrate all trespassing bulls and to impound all stallions. He was doing nothing more than any sensible stock proprietor would have done in the circumstances. The

squatters, with their stock, stayed on and around the Liverpool Plains grant, until early 1836 when the movement further out onto the western plains gathered momentum. They moved on of their own accord; they were not driven out.

It is possible to argue that the Company, rather than exploiting the situation of these squatters, actually benefitted them to a large extent. This was consciously done at two levels. It has previously been established that the Company, early in 1837, established a breeding stud on the Peel River grant. This was done, in part, to meet an extensive demand for rams by squatters. The Company built up so steady a clientele amongst the northern squatters that by 1840, when the movement was extending rapidly into Northern New England, Gwydir and the Moreton Bay Districts, its stock sales were an important factor in enabling the expansion to take place. The Company's stock were eagerly sought at all such sales. So important were these sales that it would be an interesting, although impossible, task to determine the influence of A.A. Company stock in establishing many of the high class flocks and herds of Northern New South Wales and Southern Queensland. The important work carried out by the Company in the early decades of pastoralism to improve the breed of sheep, cattle and horses has been long neglected. This contribution was so much in danger of being forgotten as early as 1888, as a result of extensive improvements in pastoralism after 1860, that Thomas Bawden, felt the need to spell out that it was a stamp of pure pedigree to be able to refer back to the Company as the breeder. In carrying this work out the Company selected some of the best men obtainable from the various parts of England for managing the different branches of its extensive establishments. Admittedly, Bawden's experience was based on his long associations with the Richmond and Clarence valleys with

37 J. Armstrong, Journal during a survey of the two locations selected by the Australian Agricultural Company, at Liverpool Plains and Peels River, encl. in Dumaresq to Court, 7 March 1835, 78/1/15, p.273-1-11; Dumaresq to Court, 10 July 1834, ibid., pp.53-54; Dumaresq to Court, 18 July 1835, ibid., p.316; Dumaresq to Court, 25 February 1836, ibid., pp.433-34.
its communication lines into Northern New England but his testimony receives corroboration from other quarters. 38

Stock sales were, then, a very important side of the Company's pastoral activities between 1834 and 1838. Not only did they provide a source of revenue but they boosted the quality of colonial stock inside and outside the Limits of Location. Dumaresq arranged the first of these sales at Maitland in 1834 to coincide with the racing season. He offered ten brood mares, ten Scotch bulls and 100 pure rams. By exhibiting the improved stock, bred on the stations, at Maitland he was able to attract buyers from a wide area. These sales were held annually. Buyers expressed deep satisfaction with their purchases. 39

Another very valuable outlet for stock sales lay in the market for stud horses which also developed from 1834. Captain Collins, of the 13th Light Dragoons, arrived in the colony with powers to purchase horses suited for the use of a cavalry and artillery of the Madras Army in India. He was so satisfied with the quality of the Company's horse stock that he selected seventeen colts and three geldings. Thereafter Collins paid annual visits to Port Stephens to purchase stock for the East India Company. He was convinced the Company's horse stud was the best in New South Wales. This traffic in remounts for the Indian Army continued for nearly a century and added the word 'waler' (a horse bred in New South Wales for the Indian cavalry) to the popular speech of both Australians and Anglo-Indians. 40

38 King to Court, 21 April 1846, 78/1/18, pp.620-21; T. Bawden, The Bawden Lectures - The first fifty years of Settlement on the Clarence, 2 vols., Grafton, 1972 [First published 1882], vol.2, p.159.
39 Dumaresq to Court, 10 June 1834, 78/1/15, pp.28-29. This question is discussed at greater length in chapter 10.
40 Parry to Court, 19 May 1834, 78/1/14, pp.49-50; Parry to Court, 5 December 1834, ibid., pp.437-43; Dumaresq to Court, 16 May 1834, 78/1/15, pp.7-12.
The second way in which the Company contributed to the squatting movement lay in the way in which its valued employees used the knowledge gained in its service to go squatting. In 1837, for example, Dumaresq lost the services of two of his overseers on the Peel: William Telfer and Thomas Hewitt. Dumaresq realised that men such as the Telfers were in great demand and were frequently offered high wages to undertake greater responsibilities by being in charge of large stations. Thomas Hewitt, in particular, used his experience well. After leaving the Company Hewitt managed Stonehenge Station - one of the most northerly in New England, for Archibald Boyd. In 1841 or 1842 he blazed an important trail from Tenterfield via Wyan to the Clarence region and marked a route which is in use to the present day. Other employees who used their experience to great advantage were James White of Belltrees and James Charles White both of whom established pastoral dynasties extending over northern New South Wales and into Queensland. William Hampden Dutton, whose experience with the Company had been relatively brief, returned to the colony and later expanded his pastoral interests into southern New South Wales and, eventually, into the Wakefieldian colony of South Australia. 41

Henry Dumaresq, then, played an important role in developing the Company's pastoral interests both on the retained portion of the coastal grant and in gradually extending activities to the interior grants. The achievements of these four years were an important factor in the pastoral expansion of northern New South Wales.

41 Dumaresq to Court, 21 November 1837, ibid., p.636.
CHAPTER 7

COLLIERY, LABOUR AND MANAGEMENT

Henry Dumasq's achievements in consolidating the development of the colliery paralleled his activities on the pastoral estates. When Parry handed over office to Dumasq the foundations for added progress had been laid. The coal grant had been surveyed and defined so there was no land question requiring solution as there had been with the pastoral estate. The "A" pit had been completed and operations were proceeding satisfactorily. Dumasq looked forward to an expanding market for coal. The rapid increase of population in the town of Sydney, the comparative exhaustion of wood fuel and the increasing use of steam vessels and engines seemingly guaranteed success in this important undertaking. A depot was being formed in Sydney as an export base for coal. Marked progress had also been made by April 1834 in the erection of a building close to the colliery for the manufacture of salt from sea water: the increased demand for curing meat would, hopefully, supply a steady market for salt.¹

During this time the Company faced the first threat of competition in coal mining and it is necessary in this chapter to examine whether Dumasq's defeat of this attempt was done in the best interests of the colony. Some consideration will also be given to the important issue of whether the enclosing grasp of the A.A. Company hindered the advance of Newcastle: did the town suffer or gain from the activities of the Company during the years 1834 to 1838? Related to the development of the colliery was the very important question of labour and it is necessary to examine this question against the background of British government policy towards

¹ Parry to Court, 5 December 1834, 78/1/14, pp.437-43. Eventually, after several unsuccessful attempts to manufacture salt between 1834 and 1836 the venture was abandoned and the buildings used for general purposes; R. Sharman, "References to the Manufacture of Salt in the Australian Agricultural Company's Despatches to the N.S.W. Superintendent", A.N.U.B.A. Reference File 3C.
both convict assignment and free immigration. The difficulties faced by the Australian Agricultural Company will be seen as a case study of the labour problem for employers in this decade. Associated with this question will be a discussion of the Company's treatment of its employees and an examination of the quality of its administration at both the colliery and on the pastoral estate.

On taking up his duties Dumaresq immediately turned his attention to the technical development of the colliery. He had reason to expect a developing market to keep pace with the increasing rate of production. His optimistic outlook was confirmed during July 1834, a month which marked the largest sale of coal: 1,251 tons. Prospects were likely only to improve with the probable export of coals to Van Diemens Land. Although the government was attempting to open coal mines at Port Arthur Dumaresq hoped for added sales to that colony. These factors, as well as the expected addition of two more steam-boats to colonial waters, influenced Dumaresq's decision to sink a second shaft - the "B" pit. Dumaresq planned to sink this shaft and correct a fault in the seam being worked in the "A" pit. The correction of this fault entailed the removal of 52 yards of solid rock and the construction of pumps and engines. At the same time Dumaresq was wary of rapid expansion in any department as returns were not yet sufficient to justify large capital outlay.2

By early 1836 the "B" pit was progressing well and the "A" pit impediments had been overcome. By July the shaft of the "B" pit had been sunk to the first stratum of coal. The cut necessary to take off the water from the coal was nearing completion. Roads had been cut and levelled to connect the "B" pit with the inclined plane currently in use. The barracks for the men had been shingled and improved; new wagons constructed; additions made to the stores and the coal yard enlarged. The lines of fencing being constructed around the coal grant were well advanced. The "B" pit was in operation by November 1837 producing a better quality coal than the "A"

2 Dumaresq to Court, 10 August 1834, 78/1/15, p.65; Dumaresq to Court, 4 May 1835, ibid., pp.250-52, 245-46.
pit. These pit improvements were paralleled by repeated requests from the various coal traders for Dumaresq to construct a second staith at Newcastle but he steadily resisted their demands until he could judge the effect of the breakwater, currently under construction at the harbour entrance, on the present wharf. Thus, by the beginning of 1838, Dumaresq had every reason to be satisfied with the efficient running of the colliery. He judged that the successful working of two pits afforded ample evidence of progress even if, for other factors, it had not been possible to expand rapidly.³

Dumaresq, however, was also aware that the returns from the colliery were far from secure. For this reason he acted quickly to prevent a competitor mining coal in the Newcastle region. During 1836 the booming state of the colonial economy had led to the promotion of capital formation. Some enterprising Sydney businessmen agitated for the formation of a steam and gas company to function in association with a colliery. Their plan was to work a colliery on the Iron Bark Hill Estate of John Laurio Platt on the south branch of the Hunter River near Kooragang Island. This estate, one of the first land grants given in the Hunter Valley region, did not contain in its title any restrictive reservation on coal deposits. This factor would enable the Australian Gas Light Company to work a mine on the land. Though Dumaresq did not fear the rivalry likely to come from the formation of this company because it would need large capital resources to achieve its objects, he initiated discussions with Platt for the purchase of the property.⁴

Platt's sudden death in June unexpectedly complicated these negotiations when it became doubtful under the terms of the will

³ Dumaresq to Court, 25 February 1836, ibid., pp.431-32; Dumaresq to Court, 21 November 1837, ibid., p.639; Dumaresq to Court, 30 June 1837, ibid., pp.605-506.

⁴ Dumaresq to Court, 26 April 1836, ibid., pp.457-61. Platt's 2000 acre land grant on Iron Bark Hill had been given prior to current reservation of coal mining rights. The question of the right to work coal on Platt's Estate had been submitted to the Law Officers of the Crown in 1829 and decided in favour of Platt.
whether any sale could be transacted. This fear was confirmed when the executors of the estate placed Platt's affairs in the hands of the Supreme Court. The Judges ruled that no sale could be held until the heir came of age towards the end of 1838. In August of that year James Ebsworth, acting in place of the then deceased Dumaresq, arranged purchase of the property. Platt's heir wished to travel to the interior and engage in pastoralism so it was relatively easy to effect a sale. The Company purchased the Iron Bank Hill Estate for £6000. The purchase of this property of some 2000 acres gave the Company possession of a second large property in the Newcastle area. Although the Company did not use the property for coal mining it did lease out sections of it for agricultural purposes and, at a later stage, erected a residence for its General Superintendent. Why did Dumaresq move so quickly to obtain the Platt land? On the surface it might seem a ruthless business measure to prevent the Australian Gas Light Company emerging as a strong competitor and to maintain an unfair monopoly of the coal trade. But is this the case? Dumaresq's stated attitude reflects a curious judgement. He said that he did not fear competition but he acted strongly to protect the Company's interest. This judgement seems to contain a contradiction which needs to be resolved. The major assumption requiring examination is the A.A. Company's economic and political position in 1836 when the A.G.L. Company made its first moves.

At this stage the A.A. Company had been operating effectively as a coal trade for less than five years. During 1830 and 1831 it had installed expensive machinery over the colliery and sunk, at considerable cost, a pit and associated shafts. The construction of railways, the erection of a wharf at the wharfside and the building of huts and quarters for miners had all been undertaken during this period. By the time the operations began at the "A" pit the Company had expended £11,575 in erecting buildings, digging

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5 Dumaresq to Court, 25 June 1836, ibid., pp. 481-82; Dumaresq to Court, 20 July 1836, ibid., pp. 488-89; article by V. Parsons on John Laurio Platt, A.D.B., vol. 2, p. 337; Ebsworth to Croasdill/Confidential, 4 June 1838; Croasdill to Ebsworth, 7 June 1838; Ebsworth to Croasdill, 9 June 1838, 1/57/2; J. Ebsworth to H.T. Ebsworth, 10 August 1838, 78/1/16, pp. 58-59 and encl. in Ebsworth to Court, 27 July 1835, ibid., pp. 73-75; Ebsworth to Court, 31 August 1838, ibid., pp. 78-79.
shafts, constructing service facilities and importing steam engines. This capital expenditure grew steadily to a total of £15,971 in 1832 and to a peak of £22,463 by 1839, maintaining a lead over total cash receipts from coal sales. By 1840 the directors valued their property at £100,000 but this valuation was based on property appreciation rather than ready capital realisable as dividends.6

Dumaresq in 1836 was planning on a rapid expansion of the coal trade but this remained some distance in the future. Even by May 1839 the Company had not recovered the initial outlay involved in engaging in mining operations. This was scarcely a position of exploitative strength and helps to explain Dumaresq's determination to protect the Company's interests. Once it is understood, in addition, that any new corporation would be equally committed to such an outlay of capital it is possible to argue that the colony's, as well as the Company's, economic interests were better served by the A.G.L. Company, during these early years, purchasing coal from the A.A. Company's staith at Newcastle. The A.G.L. Company did, in fact, do just this for a number of years.7

Detailed examination below will also show that the shortage of skilled labour at the colliery during this period was a major factor hindering further expansion of the colliery. All these factors combine, then, to supply evidence for Dumaresq's realistic judgement of the total situation. Dumaresq was realistic enough to know that the existence of a secure coal mining industry was still far from achieved in New South Wales. It was for this reason that he acted so promptly to prevent the Australian Gas Light Company obtaining Platt's land. Admittedly, he was primarily protecting his Company's interest but, against the background of the earlier coal mining industry, prior to 1831, and the still dubious continuance of the Company's coal mining activities he was also acting in the interests of the colony as a whole. The fact that the Gas Light Company decided not to run a colliery on land grants similar to

6 Annual Reports, 1831-41.
7 Dumaresq to Court, 20 July 1836, 78/1/15, pp.488-89.
Former Newcastle Lands of the Australian Agricultural Company (Shaded). (Shown in relation to modern Suburbs.)
Platt's but opted to buy coal from the already established A.A. Company also supports the conclusion that the economic structure of the industry, with its labour problems, lack of big markets and capital outlay costs, would not yet support competition. 8

Even if the colony as a whole benefitted from the Company's coal mining activities, did the small town of Newcastle suffer? A glance at the map of the Newcastle region showing the original 2000 acre coal grant and the purchased Platt Estate shows that a good deal of the present Newcastle urban area was once Company land. Did this unnecessarily restrict the development of Newcastle during the 1830's? The claim that the enclosing grasp of the A.A. Company did nothing to advance the former penal settlement or that the Company's complete monopoly of coal mining, together with the manner in which its land hemmed the settlement in, slowed down the growth of the township, must certainly be seriously examined. The assertion has been repeatedly made. 9

One cannot escape the fact that the grants occupied a large portion of present day Newcastle. The original coal grant land was bordered by the present Brown Street running up from the Newcastle waterfront to The Terrace and thence to the cliffs south of the Bogie Hole. It then ran the full length of the line of Glebe Road from the sea line of Shepherds Hill Reserve to Chatham Road. From the corner of Glebe Road the boundary ran up Chatham Road to Maitland Road and thence down the course of that road to Merewether Street and out to the Hunter River. Today, this land contains the suburbs of Cooks Hill, Bar Beach, Hamilton South, Hamilton and Islington. The land purchased in 1838 from Platt's Estate was equally large, running from the south channel of the Hunter River down Tourle Street to Platt Street and thence along the line of Platt Street and Leonora Parade to the western boundary of The University of Newcastle. The line of this boundary continues up past the Broken Hill Proprietary Golf Links across Sandgate Road

8 Dumaresq to Court, 25 June 1836, ibid., pp.481-82.
9 See, for example, Wood, op.cit., p.277.
and the Pacific Highway to the bank of the south branch of the Hunter. This includes the suburb of Mayfield West, part of Waratah and assorted utilities in the Sandgate-Mayfield West area. On the surface, then, it would appear that Newcastle, which did not develop in a serious way till the 1880's, may have suffered from the presence of the Company. 10

The claim, however, must be rejected. The principal business of Newcastle during the 1830's and 1840's was coal mining. Already, we have seen that the Company was playing the major, and largely unremunerative, role in establishing the New South Wales coal industry on an efficient and modern foundation. It is far too tempting to read history backwards and to argue that because Newcastle did not develop until the 1880's this was due to the presence of the Company. The reason for the slow development of Newcastle must be found rather in the nature of economic activity in the Hunter Valley during these decades. Pastoralism and agriculture were the prime pursuits of most Hunter Valley residents, especially during the 1830's and 1840's, and on this factor hinges the slow urban growth of Newcastle: the area encompassing the closely grouped towns of Morpeth, East Maitland and West Maitland became the centre of activity. Morpeth lay at the end of navigation on the Hunter River, and East and West Maitland lay on the roads from the Windsor region and from the pastoral districts to the north. Maitland was the natural centre. 11

If anything, the Company contributed considerably to the Newcastle economy. Departing from the custom on its pastoral estates, the Company did not maintain a store at Newcastle. Its system of monied payments enabled colliers to obtain from the Newcastle merchants tea, sugar and other commodities normally available to the servants on the pastoral estate. Indeed, in 1842, with the establishment on A.W. Scott's foundry at Stockton and the expected foundation of a cloth factory for tweeds, Newcastle

10 Department of Lands, Map of the City of Newcastle and Environs, fourth edition, 23 September 1958. Oral information based on field research with Mr L. Graham, Newcastle.

seemed to be rapidly advancing whilst other places were at a standstill. Opinion at the time attributed this growth to several causes such as the establishment of the foundry, salt-works, cloth manufactures and the barracks for a regiment headquarters. Also recognised at the time, was money spent by the Company and the earnings of the colliers. In addition the Company was willing to prepare for sale, by survey and division, portions of the 2000 acres grant for residential purposes provided it retained underground rights until the coal was worked out. These factors, plus the financial contributions made by the Company to the establishment of a Congregational Church and a planned Grammar School, all suggest that the reasons for the late urban growth of Newcastle should be sought elsewhere rather than being blamed on the presence of the Company, compelled by government to use its capital resources to develop, without large profits, the New South Wales coal mining industry from 1831 to 1841.12

What was the basic factor preventing Dumaresq from developing the colliery at a faster pace so that it would be in a position to face competition without fear? It has already been suggested that the colliery was running efficiently during these years. Subsequent examination will study its management position so it is necessary now to look in some detail at the labour question. This, after all, was the basic premise of the Company's foundation: it believed that an adequate supply of convict labour would be made available to it.

The attitude of the Colonial Office to its penal system was governed by its general concern after the Napoleonic Wars with economy. Economic considerations had earlier led J.T. Bigge to recommend the establishment of the assignment system. Similar economic considerations, allied with growing doubts about the deterrent value of transportation were leading during the 1830's to the abolition of both assignment and transportation itself.

12 Dumaresq to Court, 1 May 1836 and encl. in Dumaresq to Col. Sec., 78/1/15, pp.493-96; King to Court, 26 December 1842, 78/1/17, pp.317-19.
These doubts were well expressed by Viscount Goderich, Secretary of State for Colonies, in 1832 when he thought that leniency by colonial governors was defeating the deterrent nature of the costly establishments in the two colonies of New South Wales and Van Diemens Land. Governor Richard Bourke had gone out to the former colony in 1831 expecting that transportation would gradually be stopped. A body of opinion in England had for some time been opposed to transportation for humanitarian and economic reasons but their opposition was strengthened by the influence of Wakefieldian theories in the 1830's. Wakefield's theory involved the sale of land at a sufficient price and rested on the principle that the revenue arising from the sale of land would pay the cost of conveying free immigrants to the colony from which the money was derived. An essential feature of this scheme, which found concrete expression in the 1834 legislation making provision for the establishment of the colony of South Australia, was that capitalists buying land would provide employment for labourers migrating to the particular colony. Although the Ripon Land Regulations of 1831 had established a system of land auction in New South Wales, part of which revenue was used for various immigration schemes, the older colony still enjoyed an unfair economic advantage over South Australia so long as transportation existed. Sir William Molesworth, one of Wakefield's ardent supporters, was able to draw together the strands of Wakefieldian, humanitarian and other opposition in 1837, by obtaining the appointment of a select committee to investigate the transportation system. It is clear, however, that even before this committee was appointed, the Colonial Office had decided to abolish transportation. There was, by 1837, no question that the system would cease to operate; it was merely a matter of devising its gradual cessation without harming the colony and ruining the many pastoralists and others dependent on assigned labour. When the Molesworth Committee, in 1838, recommended the abolition of transportation it merely stated what no one by then doubted.13

The effects of this changing attitude to the transportation and assignment system can be traced through the Company's labour difficulties at the colliery and on the pastoral estates in such a way as to pinpoint the major problem faced by Dumaresq.

As early as July 1834 convict ranks at the colliery had been rapidly depleted. Following the recovery of the colonial economy the demand for coal increased and the labour shortage assumed an ever greater importance. By May 1835 there had been no change. Dumaresq tried to encourage those servants already assigned to adopt habits of industry and to increase their efforts. In May he established new regulations involving a system of task and extra work at the colliery. Under this system the assigned servants were paid money at the rate of 2/- per ton for all coals raised above the usual task. This system enabled Croasdill, the colliery superintendent, to increase production: in one month an extra 300 tons of coal were raised. During a visit to Newcastle, in April 1836, Sir Richard Bourke expressed dissatisfaction with this system of "extra work" because it involved money payments to convicts.  

Dumaresq complied with Governors Bourke's instructions even though he knew the system of gratuity payments to convicts to be universal among employers. Once again he was forced to rely on the Government being able to supply extra men. By early 1837 the number of trained colliers or "getters" had been reduced to 28 even though the total number of assigned servants was 99. This situation continued till the end of the transportation era towards the end of 1839. Even when it was possible to obtain a full complement of men it was never possible to obtain sufficient miners and skilled men. This considerably reduced the ability of

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14 Dumaresq to Board of Assignment, 24 July and 28 July 1834, encl. in Dumaresq to Court, n.d. January 1835, 78/1/15, pp.183-85; Dumaresq to Court, 4 May 1835, ibid., pp.250-52, 245-46; Dumaresq to Col. Sec., 3 July 1835, encl. in Dumaresq to Court, 18 July 1835, ibid., pp.320-22; Dumaresq to Court, 18 July 1835, ibid., pp.312-13; Dumaresq to Court, 1 May 1836 and encl. in Dumaresq to Col. Sec., 1 May 1836, ibid., pp.493-96.
the colliery to expand and to meet even current demand.\textsuperscript{15}

Such, then, was the general labour situation in terms of numbers at the colliery. How does this reflect the policy established between the Company and the colonial government? How was this policy related to the Company's labour needs both at the colliery and on the pastoral estates? The two questions can best be considered together.

Dumaresq first reviewed the overall labour situation in mid-1834 when he requested Governor Bourke to supply more convicts. He recalled that since 1831 the number assigned had gradually decreased from some 400 to 353: only 38 had been assigned during the past year. Even this quantitative change did not fully indicate the true position. Twenty of the convicts were either idiots, cripples or persons infirm from age and disease. Another twenty of the best servants had received tickets of leave; and many more would receive this privilege in the near future. The Governor's more relaxed policy on the issue of ticket of leave applications had led to a marked decrease of men at a time when Dumaresq was developing a new pit at Newcastle and commencing extensive establishments inland at the Peel and at Warrah. Dumaresq was adamant that the increase of flocks and herds resulting from the expansion of pastoral activities made it essential to obtain a more liberal assignment.\textsuperscript{16}

In his applications to Bourke and the Board of Assignment Dumaresq stressed the peculiar difficulties imposed upon the Company by the isolation of its coastal grant from the rest of the colony. Not only was it impossible to hire shepherds but no assistance could be obtained from the road gangs, in contrast to most other districts where the settlers could use the road parties for gathering the harvest. Dumaresq also stressed that in developing

\textsuperscript{15} Dumaresq to Court, 20 July 1836, and encl. Memorandum for Mr Croasdill, 20 July 1836, \textit{ibid.}, pp.486-88, 492; Col. Sec. to Dumaresq, 19 September 1836, and Dumaresq to Col. Sec., 21 September 1836, encl. in Dumaresq to Court, 20 September 1836, \textit{ibid.}, pp. 524-27; Dumaresq to Col. Sec., 23 January 1837, encl. in Dumaresq to Court, 24 January 1837, \textit{ibid.}, pp.572-74; Ebworth to Court, 31 August 1838, 78/1/16, p.86; Ebworth to Court, 28 November 1838, \textit{ibid.}, p.91.

\textsuperscript{16} Dumaresq to Board of Assignment, 16 June 1834, encl. in Dumaresq to Court, n.d. January 1835, 78/1/15, pp.181-82.
remote areas the Company was performing an undoubted service to the
Government. Unless more convicts were assigned, the Company and
ultimately the colony, could only face loss and inconvenience.
Dumaresq attempted to force from Bourke a recognition of the principle
that men should be assigned to the Company proportionate to its
increase of stock. He submitted estimates based on this principle
and on the rate at which convicts were receiving their tickets of
leave. At the end of 1834 he calculated that 256 men would receive
tickets of leave by the end of 1838 and another 84 by the end of
1842. At the current rate of flocks increase another 514 convicts
would be needed before the end of 1838.17

Dumaresq was especially concerned with the situation on the
pastoral estates. He judged that prosperity depended almost
entirely on two factors: the supply of convicts and unmolested
occupation of the new lands on the Liverpool Plains and on the
Peel. Dumaresq's repeated requests met with a disappointing res-
ponse. Very few extra convicts were assigned. Most crushing to
his hopes was the firm decision by Bourke not to supply convict
servants in proportion to stock increases. More ominously, Bourke
judged that the concessions granted to the Company in the selection
of new lands compensated, in part, for the inability of Government
to supply the necessary convict labour. Dumaresq protested
strongly against this decision arguing that he did not know one
instance of a private settler whose number of assigned servants
had been diminished to an extent comparable with the corporation's.
Between 1831 and 1834 the Company had lost 68 or one-sixth of the
total number of assigned servants. Every private settler known to
Dumaresq had increased the number of his servants during that time.
Dumaresq also pointed out that one quarter of the labour employed
on the estates was non-convict - a proportion higher than that on
the estate of any private settler. The Commissioner contended
that any gains which Bourke considered the venture enjoyed were

17 Dumaresq to Board of Assignment, 24 July and 28 July 1834,
encl. in Dumaresq to Court, n.d. January 1835, ibid., pp.183-85;
Dumaresq to Col. Sec., 10 December 1834, encl. in Dumaresq to
entirely neutralised by shortage of labour, lack of legal protection and other causes.\textsuperscript{18}

Dumaresq's hopes for the assignment of convicts in accordance with the original Act of Parliament and Royal Charter were dashed utterly in August 1835. Alexander McLeay, Colonial Secretary, had asked him previously for a detailed account of the current situation and for likely requests based on plans for expansion. On the basis of Dumaresq's estimates the matter was referred to the Executive Council which ruled that the Company was to be regarded as the equivalent of five first rate settlers. Under the Regulation of 9 March 1835 each first rate settler had become entitled to 70 assigned servants. This decision threatened seriously to restrict future development by limiting the Company to a further 38 convicts. Dumaresq was not pleased with the decision but realised that little could be done to alter the situation. The Executive Council's decision on the colliery was not in theory so harsh. Dumaresq had requested the number of convicts at the colliery be kept to the level of one hundred skilled miners. The Council agreed to this request but the number was never achieved.\textsuperscript{19}

Dumaresq fought to obtain a review of this decision. As soon as the ruling was given, the Board of Assignment had allocated another 35 convicts to bring numbers on the pastoral estates up to 350. Dumaresq thought Bourke's decision arbitrary and not founded on any of the principles regulating the number of convicts allowed in other cases to private settlers. It seemed to be based on the quantity of land possessed by the settler. As the Company's pastoral estate was more than five times that of any individual proprietor within the Limits of Location, Dumaresq could not determine how Bourke had arrived at his principle of considering the corporation equivalent to only five first class settlers such as

\textsuperscript{18} Dumaresq to Court, n.d. January 1835, \textit{ibid.}, pp.154-59, 163-67; Col. Sec. to Dumaresq, 10 January 1835, and Dumaresq to Col. Sec., 21 January 1835, encl. in Dumaresq to Court, n.d. January 1835, \textit{ibid.}, pp.195-97.

\textsuperscript{19} Dumaresq to Col. Sec., 10 August 1835 and Col. Sec. to Dumaresq, 1 September 1835, encl. in Dumaresq to Court, 10 September 1835, \textit{ibid.}, pp.342-44, 350, 360-65; Col. Sec. to Dumaresq, 1 September 1835, encl. in Dumaresq to Court, 10 September 1835, \textit{ibid.}, pp.350-51; \textit{Government Gazette}, 9 May 1835.
the Macarthurs, the Lawsons, Alexander Berry and Edward Wollstonecraft. Until the quite recent increase of Company stock numbers on its pastoral lands, some individuals had owned as much stock as the corporation. Often large families, with several sons each eligible for 70 convicts, could be entitled to as many convicts as the Company. Dumaresq protested to Bourke that the size of flocks and herds was not limited by land but by labour resources and the means of supplying it. Indeed, some of the squatters occupying outlying runs might command land ten times the extent of the Company's grant, so it seemed that no adequate test could be applied to the requests of private individuals for convict labour. Dumaresq constantly argued that the conditions of the Charter and the spirit of the Company's undertaking alone should determine the number of convicts to be assigned. This repeated attempt by Dumaresq to offset the effect of governmental regulations should be seen not only as a determination to protect the Company's interests but also as an indication of his deeply conservative nature. While he argued that the effect of the 1835 Regulations, as applied, was to obstruct the increase of flocks and herds except by expensive means at variance with the terms of the original agreement of "bringing extensive Tracts of Waste Land into cultivation by means of Convict Labour", he also betrayed his own view of the plantation type of society he wished to see developed in the colony. Not for Henry Dumaresq the type of free society being fostered by Governor Bourke. Dumaresq was one of the Hunter Valley proprietors wishing to recreate the old society in a new land.  

Large numbers of convicts were needed to achieve this type of society. Dumaresq still believed it was possible to offset the effect of Bourke's policies, as is indicated by his enthusiastic response to news that Lord Glenelg, the Secretary of State, had authorised the Company to receive on its pastoral estates an extra 150 convicts above the 350 stipulated by Governor Bourke.  

20 Dumaresq to Court, 28 January 1835, 78/1/15, pp. 419–22.

21 Dumaresq to Court, 25 June 1836, ibid., pp. 480–81.
Executive Council negated the Secretary's instructions. When Governor Bourke laid Glenelg's despatch before the Executive Council, the matter was interpreted against the former decision which allowed a maximum of 450 men divided on the basis of 350 for the pastoral estate and 100 at the colliery. The Council resolved that only another 50 men be allocated to the pastoral estates. This decision reduced by 100 the number stipulated by Glenelg for these estates. Bourke left unchanged the maximum number of 100 assigned men at the colliery.  

This, then, was the situation which lasted till the formal termination of the transportation and assignment system. Dumaresq fought a dogged action to obtain more convicts in line with decisions made in London by the Secretary of State for Colonies. Bourke, aware that he was caught between London instructions and the decisions of his Executive Council, kept firmly to the practical realities of his colonial situation. Early in 1837 Bourke instructed his Commissioner of Assignment to allow the Company 20 men from each ship, as it arrived in Sydney Harbour, until the prescribed number of 500 was reached. Dumaresq judged that the practical realities were set against even this decision but during August 1837 numerous assignments of convicts were made in accordance with the Secretary of State's instructions. The allocation of men to the pastoral estate was followed by an assignment of miners and other skilled men to the colliery from the Sydney waterworks project. Dumaresq especially welcomed the addition of 28 skilled men and 7 labourers to the colliery. These additions meant that during the latter months of 1837 the Company employed 100 men at the colliery and 400 on its pastoral estates. Many of these men left the Company's service during the early months of 1838 and were not replaced. During 1838 the Company did not feel the lack of labourers as much as other proprietors because of the large assignments made during 1837. Gradual losses of men obtaining their certificates of freedom or tickets of leave during the first half of the year meant, however, that the number of assigned servants

22 Col. Sec. to Dumaresq, 19 September 1836, and Dumaresq to Col. Sec., 21 September 1836, encl. in Dumaresq to Court, 20 September 1836, ibid., pp.524-27.
on the pastoral estate was considerably short of 400 by August 1838.  

After Dumaresq's death, James Ebsworth was well aware of the strong rumours that convicts would be withdrawn from private service to colonists and the assignment of arrivals from England would cease. Ebsworth estimated that, if in spite of these rumours, the Government maintained the full complement of 500 convicts, the Company could cope during 1839 but would need an additional 50 convicts in each of the years 1840 and 1841 as well as another 75 in 1842. The premises of this calculation was completely removed during December when the Colonial Secretary gave the first formal indication of the important changes pending. On 18 December the Government Gazette carried a report that male convicts would no longer be assigned as domestic servants or for the purposes of luxury. In future, male convicts would remain in government service for at least six months; they would then be assigned only on the recommendation of their respective superintendents. This announcement marked the formal end of the assignment system and indicated the changes which would be faced by the new Commissioner taking up office in early 1839.

The difficult labour situation between 1834 and 1838 was the factor preventing Dumaresq from expanding activities on a large scale but he was able to achieve a reasonable rate of development.

23 Dumaresq to Court, 25 June 1836, ibid., pp.480-81; Dumaresq to Court, 20 July 1836, ibid., pp.489-90; Col. Sec. to Dumaresq, 19 September 1836, and Dumaresq to Col. Sec., 21 September 1836, encl. in Dumaresq to Court, 20 September 1836, ibid., pp.524-27; Dumaresq to Court, 28 February 1837, ibid., pp.579-80; Dumaresq to Court, 24 August 1837, ibid., p.621; Ebsworth to Court, 31 August 1838, 78/1/16, pp.75-78.

24 Ebsworth to Court, 28 November 1838, ibid., p.91; Government Gazette/Extract, 18 December 1838, as encl. in Ebsworth to Court, 9 January 1839, 78/1/16, pp.114-15.
During this period he developed the Peel Valley, Liverpool Plains and Barnard River areas. This rate of expansion was not as fast as Dumaresq desired, but, overall, it must be admitted the Company was able to cope reasonably well. It was not, however, able to expand at a rate which would guarantee good profits. The labour problem also prevented faster expansion at the colliery. If adequate numbers of skilled miners had been assigned to the colliery earlier than 1837 there can be little doubt that better progress would have been made. Dumaresq's constant emphasis on this point leaves little room for doubt that labour shortage, and especially lack of skilled miners, was a major problem.

Faced with this situation Dumaresq realised he had little choice but to make up the deficiency with free labour. He had foreseen that the period of restricted assignment would arrive and render necessary the importation of free labour. Unfortunately, this would require further capital outlay; and the corporation was not yet in a position to spend money on costly immigration ventures. The Government decision of 1835 preceded the establishment of public immigration schemes so Dumaresq planned on methods for financing his own scheme for employing more free labourers. He hoped to balance the expenditure with income obtained by selling from the Stroud and Tamworth stores all goods currently supplied to the employees by Sydney merchants. In this way, up to 50% of salaries and wages might be retrieved. If this were achieved, the restricted use of assigned labour might not greatly distance the levels between expenditure and production.  

Dumaresq requested the Court to send out an initial group of five families. This plan soon brought him up against government policy which was also implementing a scheme to develop Wakefield's notion of the essential relationship between land sale and emigration. Between 1832 and 1836 the London Emigration Committee, the official organisation through which emigrants were sent,

25 Dumaresq to Court, 10 September 1835, 78/1/15, pp.342-44.
administered a system for sending single female migrants to New South Wales. This was replaced by a two-fold scheme: the Government System and the Bounty System. The first of these was designed to meet the general demands of colonists for labour. By a process of careful selection from the best persons available it hoped to systematize and unify the previous unsatisfactory system. The Government system was suspended at the end of 1839. Running parallel to it was the Bounty System, the essential feature of which was that colonists chose their own emigrants in England and brought them to the colony, receiving from the colonial government a bounty equal or nearly equal to the cost of the passage. This system gradually degenerated into a commercial speculation controlled by British shipowners and, although between 1835 and 1840 it was never conducted as its founders had planned, criticism of the bounty immigrants was rare before 1841. The Bounty System in its original form disappeared largely by this year and modified forms of these two systems operated during the decade up to 1851.26

When the Bounty System of immigration was promulgated on 28 October 1835 Dumaresq hoped that his worries would be lessened. He now sought the aid of the bounty to bring out his five groups of families. He was quickly informed by Alexander McLeay that Governor Bourke did not consider it right for the bounty to be issued for persons brought out by the Company. Bourke's reasons were varied: the Company had received its million acre grant under Act of Parliament and Royal Charter for bringing out free settlers. In effect, the bounty had been paid to them in the advantages of their large grant. Bourke judged that the Company which had received a free grant likely to be subdivided and sold, could not receive bounty from an immigration fund based on the sale of land. It must be admitted that, in principle, Bourke's decision was fair. On the other hand, when judged against the tenuous financial situation of the corporation and the labour shortage, it posed serious problems for Dumaresq. As he did not hold out any hope that suitable miners and shepherds would be

brought out by the parallel Government scheme, run in conjunction with the Bounty System, Dumaresq knew the Company faced no other choice than to go ahead with its own scheme. Dumaresq, then, must be credited with the policy of recommending to the Court the foundation of a private immigration scheme designed to bring out family groups to the Company's estates. Although the first of these groups did not arrive till after his death in 1838, Dumaresq laid the foundation of a system which would be developed by King. 27

What was the relationship between labour and management during the period of Dumaresq's administration? It must be admitted that the Company's records hold little information on this score and that one is left to speculate on the basis of scanty evidence. Dumaresq's personal reputation of care for the convicts at St Heliers was well known in the colony and there seems little reason to doubt that his concern continued in the main field of his endeavours between 1834 and 1838. The only firm evidence to support this conclusion comes from the events of 1836 when Governor Bourke instructed Dumaresq to discontinue at the colliery the system of moneyed payment for extra work. Dumaresq then instructed Croasdill, his colliery superintendent, to issue orders, redeemable on the Newcastle shopkeepers, to men earning extra work concessions. 28

This compromise solution did not please the men. They refused to work more than the daily allocated task. Not only did demand quickly outpace supply at the staith but the Newcastle police records registered an upsurge in the crimes list. Dumaresq feared trouble as the large number of men employed at the colliery lived in a state of comparative idleness once they completed their daily task. But as the men still performed their task work without any display of sullenness or disrespect, Dumaresq did not officially take notice of the cut-out of extra work. Eventually, he

27 Col. Sec. to Dumaresq, 14 December 1835, encl. in Dumaresq to Court, 19 December 1835, ibid., pp.407-408; Government Gazette, 28 October 1835, p.766.

28 Dumaresq to Court, 20 July 1836, and encl. Memorandum for Mr Croasdill, 20 July 1836, 78/1/15, pp.486-88, 492.
assembled the miners and listened to their grievances. All their complaints arose from Governor Bourke's interference with the money payment for extra work. Dumaresq reasoned with the men and persuaded them to accept the modified system as a privilege. This had the desired effect. The next day the miners eagerly renewed extra work. 29 Admittedly, this is only indirect evidence that the miners between 1834 and 1838 were satisfied with their working conditions and relationship with management but it does seem to indicate that conditions were reasonably good.

The strongest evidence that the Company enjoyed management of high quality is evidence of an indirect type, or a negative type. There was no sign of dissension or resentment among the convicts or other workers, and the achievements of the various sections of the Company would scarcely have been possible unless the various managers had been competent, fair and judicious. It is then perhaps reasonable to conclude that the Company did enjoy good management. It is this type of reasoning which lies behind the following specific comments. Once free of the colonial and Company politics which had hindered the earlier attempt at coal mining between 1826 and 1828, John Henderson performed a competent work in establishing the colliery. After Henderson's sudden death in 1835 William Croasdill succeeded him and worked the colliery efficiently within the room left to manoeuvre by the labour shortage. Croasdill's competent management assured the smooth technical running of the pits and left Dumaresq free to handle the wider political questions of negotiating for an adequate force with Governor Bourke. When Alexander Brown arrived during February 1837 to assume the position of "Overman" at the colliery this sound management position was consolidated. 30

29 Dumaresq to Col. Sec., 6 and 12 August 1836, encl. in Dumaresq to Court, 20 August 1836, ibid., pp.503–504, 505–507, 497–99.

In a similar way, the successful development of pastoral operations by Dumaresq would not have been possible without the high level of management established at the various stations. Dumaresq was faced with problems comparable with those of Robert Dawson in co-ordinating the extension of pastoral activities within the coastal grant and in conjunction with the inland grants. As the Peel Estate assumed increasing importance as a sheep station, Charles Hall was moved permanently to the Peel as Superintendent. William Telfer, Thomas Hewitt and Andrew Telfer were all very competent overseers long trained in the practices of the corporation. The combination of these four men was a basic factor in the pastoral successes achieved at the Peel. In place of Hall, John Swayne was appointed in charge of sheep stations on the Telligherry section between Stroud and the Williams River.  

The stability and self confidence achieved in the management structure was amply verified in September 1834 when Dumaresq suffered an attack of paralysis which temporarily deprived him of the use of his left arm and leg. As his health showed only a slight improvement James Ebsworth once again took the helm. Ebsworth remained in this position till early in 1835. Following Dumaresq's sudden death at Tahlee House on 5 March 1838 Ebsworth once more became acting Commissioner till early in 1839 when Captain King took office.  

The degree of management was no less competent at other levels. In the cattle and agricultural departments Henry Hall achieved considerable success. His unwavering exertions in reclaiming and subduing the herds of cattle upon the coastal

31 Dumaresq to Court, 10 August 1834, ibid., pp.70-71; Dumaresq to Court, 28 October 1835, ibid., pp.373-75; Dumaresq to Court, 28 November 1836, ibid., pp.536, 541-42.

32 J.E. Ebsworth to H.T. Ebsworth, 2 October 1834, ibid., p.79; Ebsworth to Court, 5 March 1838, and encl. J. Inches to Ebsworth, 78/1/16, pp.1-3; article by N. Gray on Henry Dumaresq, A.D.B., vol.1, pp.333-35.
estate were impressive. It was Hall who successfully developed heifer and bullock stations on the Liverpool Plains. No less important was the quality of management at the important Gloucester station. George Jenkin successfully managed this remote station until his agreement expired late in 1836. He was succeeded by Edward Robins who carried forward the expansion of stations into the Manning, Barnard and Nowendoc river regions. These examples, which could be multiplied into the subsidiary departments, are sufficient proof of the standards attained within a relatively short period.33

It was basically this system of management, assuring efficiency in operations and a level of high morale amongst all employees, which enabled Dumaresq to expand activities from the sound basis established by Parry. Dumaresq was no less strict than Parry in the concentration of policy and important decision-making in his own person but he ensured effective administration through a well run system and a satisfied labour force. Although the Company was not making large profits, for reasons already discussed, there was little more that Dumaresq could do to ensure success. When, in August 1837, he noted that periods of profoundest peace and greatest happiness in the life of nations afforded the scantiest material for the historian he was, perhaps, betraying his military background.34 He was also perhaps conscious that his own achievements were of a type which, while solid and important, would not leave a spectacular record for the historian.

33 Dumaresq to Court, n.d. January 1835, 78/1/15, pp.173-74; Dumaresq to Court, 18 July 1835, ibid., pp.315-16; Dumaresq to Court, 28 November 1836, ibid., pp.536, 541-42.

34 Dumaresq to Court, 24 August 1837, ibid., p.621.
CHAPTER 8

PHILLIP PARKER KING AND THE NEW ERA

Captain Phillip Parker King came to the office of Commissioner of the Australian Agricultural Company after a long and distinguished career. This career gave him prominence in scientific circles and earned him the accolade of being the first Australian-born scientist to achieve international fame. The heights to which he rose were far removed in intellectual climate and interests from the lowly place of his birth.

P.P. King was born on 13 December 1791 at Norfolk Island, the son of Philip Gidley King and his wife Anna Josepha, née Coombe. At the time, Lieutenant P.G. King was commandant of Norfolk Island, the station subordinate to the Sydney Cove settlement under Governor Arthur Phillip. After spending the first five years of his life on this Pacific island young Phillip sailed for England with his parents in October 1796 in the Britannia. In November 1799 Philip Gidley King left England to become Governor of New South Wales and to make his contribution to the development of the colony. His two children, Phillip Parker and Maria, remained in England. Phillip was placed under the tuition of Rev. S. Burford in Essex. In 1802 he was nominated to the Portsmouth Naval Academy. In November 1807 he entered the navy in the Diana. He became a midshipman and served for six years in the North Sea, the Bay of Biscay and the Mediterranean, being promoted master's mate in 1810 and lieutenant in February 1814.

According to family tradition, Matthew Flinders, a friend of the family, interested Phillip in surveying and introduced him to Captain Thomas Hurd, hydrographer to the Admiralty from 1808 to 1823. Hurd gave Phillip careful training. In 1817 the British government decided to explore that part of the coast of New Holland not surveyed or examined by the late Captain Flinders. Lieutenant Phillip King was
appointed to the task. The earlier friendship between Flinders and the
family had blossomed to the point where the names of Flinders and King
would forever be associated with the hydrographic survey of the
Australian coastline.

Before he departed King married Harriet, daughter of Christopher
Lethbridge, of Launceston, Cornwall. From this relationship developed
a hearth where quiet domestic bliss reigned. It was their happy
retreat at Tahlee which in later years provided the basis for King's
achievements and attracted to its midst eminent explorers and
scientists such as Charles Darwin, Thomas Huxley, Ludwig Leichhardt,
Edmund Kennedy and Paul Edmund de Strezelecki.

King arrived in the colony in September 1817 with instructions
from the Colonial Office to Governor Macquarie that he was to be
provided with the most suitable vessel and a carefully chosen crew.
The 83 ton cutter *Mermaid* was bought and the expedition sailed from
Sydney on 22 December with a complement of nineteen including the
botanist Allan Cunningham, the surveyor John Septimus Roe and the
Aboriginal Bungaree. By way of King George Sound they reached North
West Cape where the survey began.

Between 1818 and 1822 King made three separate voyages in the
*Mermaid* and one in the *Bathurst*. These voyages complemented the
surveys made between 1800 and 1804 by Nicholas Baudin and Matthew
Flinders. King carefully charted the coast from Cape Wessel, off
Arnhem Land, to a point on the west coast some one hundred miles
north of Cape Leeuwin. He made significant contributions to Aus-
tralian exploration by establishing the insularity of several
islands, by investigating the inner geography of many gulfs and by
giving the first report of Port Darwin. This important work led
to the writing of some of the first scientific papers by an Aus-
tralian. In October 1822 he read a paper, 'On the maritime geography
of Australia', to the newly formed Philosophical Society of Australia.

In April 1823 Commander King, to which office he had been promoted
in July 1821, reached England in poor health and thought of retiring
to his Australian estates. In 1824 he was appointed to the colonial committee of the Australian Agricultural Company but played no active role in it as he did not return to Australia till 1832. He did, however, offer advice to the Committees of Management and the Agent during 1824 and 1825.

King was now recognised as one of Britain's leading hydrographers and in February 1824 was made a fellow of the Royal Society. In London in 1826 he published his two volume Narrative of a Survey of the Intertropical and Western Coasts of Australia Performed between the years 1818-1822, partly illustrated by his own sketches. In May 1826 he sailed in command of H.M.S. Adventure, with H.M.S. Beagle in company, to chart the coasts of Peru, Chile and Patagonia. This arduous and venturesome task lasted till 1830. Among King's subordinates were J.L. Stokes, J.C. Wickham and Owen Stanley, men destined to continue the tradition of his work with Charles Darwin and around Northern Australia and New Guinea.

In 1832 King returned to Sydney from England. He devoted himself to his pastoral concerns around Rooty Hill and in County St. Vincent. King's lands had been in his possession for a long time. In 1806 his father, Governor Gidley King, had granted him 600 acres on South Creek, near Rooty Hill. Governor Macquarie gave him a second 600 acres. When, in July 1822, he sought permission to buy additional land at Rooty Hill, Governor Brisbane offered him instead a grant of 3000 acres. After some years of attempting to claim a seat on the Legislative Council to which he had originally been appointed in 1829 King was appointed to the Council by Governor Gipps in February 1839. In March 1839 James Ebsworth, who was acting Commissioner of the A.A. Company, received advice of King's appointment as Commissioner. He had been nominated to this position by his two predecessors and friends, Edward Parry and Henry Dumasæq. King assumed control at Tahlee on 8 April 1839.

King's long background in the Navy and the nature of his difficult survey work cast him in a mould similar to Parry. King was a deeply conservative man whose views caused Governor Richard Bourke to pass over his nomination to the Council. King was regarded by
Bourke as 'well known to be opposed to those measures both in Church and State, which it has been the aim of my administration under the guidance of H.M.'s Government to introduce'. A change of Governor in 1839 brought about a change in King's status. Gipps regarded King 'though connected by family ties with what is here called the anti-emancipist party, as liberal in his politics, as well as prudent and moderate in his general bearing'. King's appointment as Commissioner of the Company in the month following his nomination to the Council led him to offer his resignation from the Council. He retained his seat only till October when Gipps was advised to accept the resignation.¹

The ten year period during which King was Commissioner has usually been regarded as an unmitigated disaster. The basis for this judgement has been the dismissal of King from office in 1849. It has also been asserted that men like King were appointed to their positions because they enjoyed a certain social background rather than because of any experience in management skills or business efficiency.²

This view of King is so much at variance with his outstanding career with the Admiralty that, at first, the simpler view which is tempting is that by the 1840's King's health and abilities had declined markedly. A second stage of this hypothesis is, then, that the A.A. Company's top management must have been gravely in error to retain such an incompetent during a long period of severe depression. Three chapters covering the period of King's term of


office will test the soundness of the traditional interpretation by examining in turn his handling of the labour problem, the colliery question and the management of the pastoral estates.

King managed the Company during the eventful, and difficult, decade of the 1840's. These ten years from 1839 to 1849 saw the phasing out of the convict assignment system, drought and depression for almost every year of the decade, the complex moves leading to the abandonment of the coal mining privileges, and the initiation of a plan to dispose of much of the Company's land to small settlers. King's achievement as Commissioner will, then, be first assessed by considering in detail his handling of the Company's transition from the period of assigned convict labour to the age of free labour. King's handling of the labour question, with its basic importance to the nature of the Company will enable us, at the same time, to consider the role and function of the Company during these years. This analysis will reveal that King followed his predecessors in the need for strict administrative control. The conclusion will be confirmed by a brief examination of King's attitude to the 1844 squatting regulations, the Company's land question, and the issue of police control outside the 1829 boundaries.

At the end of 1838 the Company was employing 413 convicts on its pastoral estate and 109 at the colliery; another 48 ticket of leave men were working on the pastoral estate. The non convict labour force comprised 42 men at Port Stephens and on the inland grants and 7 at the Newcastle colliery. At the end of 1848, just prior to King's departure for England there were no convicts being employed on either the pastoral estate or at the colliery. On the pastoral estate there were 276 free men and 59 ticket of leave men. At Newcastle 47 free men and 51 ticket of leave men were employed at the colliery.³ This radical change in the nature of the work force poses the question of how well the Company managed to adjust to the abolition of convict labour.

³ See Appendix G.
At the end of 1838 Ebsworth had estimated the number of labourers needed for the next four years. If Government maintained the full complement of 500 convicts, the Company could cope during 1839 but would need an additional 50 convicts in each of the years 1840 and 1841 as well as another 75 in 1842. This would provide an ample supply of labourers and offset men withdrawn from assigned service.

This was the position facing King at the beginning of 1839. Parry and Dumaresq had responded to the severe shortages of labour with formal requests to colonial authorities and appeals to the Court to use influence at Downing Street. In spite of these pleas a chronic shortage of labour had been experienced during the expansion of the thirties. The year 1837 had marked the only exception. King faced a new situation: the previous system of convict transportation and assignment was coming to an end. Dumaresq and Ebsworth were well aware of moves in this direction and had suggested the implementation of a system of private migration to offset the expected loss of labour. In spite of this awareness, the real effects of the abolition of assignment were not felt till after King took office as Commissioner.

The effects of the change in the colony were varied. As early as April 1839 the *Government Gazette* had already carried notices that all assigned servants ineligible for tickets of leave would be withdrawn after harvest time. No replacements would be supplied. Although these threats had not been carried out to the letter by April they indicated the changing situation: very few servants had been received by the Company since July 1838. In that nine month period 38 servants had been assigned; 90 had been removed. A decrease of 52 servants at a time of considerable expansion was not conducive to steady development. There were, in all, 409 servants on the agricultural estates and 115 at the colliery. After fifteen years the Company, by the terms of its Charter, should have spent approximately £100,000 on some 1,400 convicts. The practical realities of convict assignment had, then, fallen far short of the 1824

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4 Ebsworth to Court, 28 November 1838, 78/1/16, p.91.
The effects of the Colonial Office changes of policy were made known to the Company in both London and Sydney. In July the Marquis of Normanby, Secretary of State for Colonies, informed the Court that the system of assignment would cease. The Company could no longer draw on the transportation and assignment systems for its labour resources. Instead, Normanby would listen to proposals consistent with the terms and objects of the Charter for Government assistance in promoting the emigration of labourers to the Company's service. The permanent employment of emigrants would be obtained only by keeping wage levels comparable with those of other colonial enterprises. The A.A. Company, as a wealthy and extensive corporation, could no longer expect special favour following the cessation of the transportation system.\(^5\)

On 9 October 1839 Governor Gipps announced to the Legislative Council that the Home Government intended to discontinue immediately the assignment of convicts. All convicts in transit between England and New South Wales would be sent to Norfolk Island to the new system of Probation under Captain Maconochie.\(^7\)

Gipps' announcement was the first formal news received by King. At the time, he did not know how the Court intended to adjust its policies to the new situation. King immediately sought an interview with Gipps to seek a fuller explanation of the new arrangements. Gipps explained that all convicts still in the colony for assignment, all convicts to be discharged from gangs and all persons likely to lose their ticket of leave would still be assigned to settlers. Gipps also explained that as a matter of public necessity he would continue to assign "miners" to the colliery. No special favours

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5 King to Court, 12 April 1839, ibid., pp.149-50; Brownrigg to Marquis of Normanby, 30 May 1839, A.O.N.S.W. 2/2304.

6 Labouchere to Brownrigg, 2 July 1839, ibid.; Normanby to Gipps, 3 July 1839, ibid.

7 King to Court, 10 October 1839, 78/1/16, p.246; Supplement to S.H., 9 October 1839.
could be expected on the pastoral estates: the Company must take its
chances with the other colonists.  

This unequivocal explanation posed immediate problems for King.
He was sceptical of Gipps' assurances on the supply of skilled work-
ers for mining operations. Most new assignees had been hardened
convicts from the iron gangs who preferred the less laborious work
in the gangs to coal mining. For this reason they frequently
committed crimes which obliged the magistrates to work them in
irons. This tactic had a double effect: the Company lost their
services for a time and when they returned such men were worse in
their behaviour.  

Allied to this problem was a growing shortage of men at the colliery. Although Gipps had ordered the supply of 12
miners during July, only 6 were assigned while others obtained
their ticket of leave. Faced by a decrease in the quantity of coal
raised by task-work at a time when there was every prospect of a
considerable increase in coal consumption, King planned to expand
Dumaresq's and Ebsworth's plans to bring out skilled men from
England and Scotland.

The position on the pastoral estate was different. It was not
essential to bring out skilled shepherds from England because
unskilled labourers could soon be trained. Experience during the
thirties proved the Company could make better shepherds of men who
had never seen a sheep than by retraining English shepherds
accustomed to following sheep on confined walks without dangers
such as those posed by hostile Aborigines. Shepherding in the
colony was not so indolent a life as in England: here a shepherd
needed to walk 3 or 4 miles a day after his sheep and in seasons
of drought, longer distances were covered daily.

8 King to Court, 10 October 1839, 78/1/16, pp.247-49.
9 King to Court, 25 May 1839, ibid., pp.160-61.
10 King to Court, 24 July 1839, ibid., p.223; King to Col. Sec.,
25 July 1839, A.O.N.S.W., 2/2304; King to Court, 21 August 1839,
78/1/16, p.232; King to Court, 10 September 1839, ibid., pp.242-43.
11 King to Court, 10 October 1839, ibid., pp.263-64.
The comparative calm with which King adjusted to the new era is remarkable when considered against the background to the formation of the Company. The basic premise in 1824 had been that New South Wales would provide an abundant supply of convict labour which would be gainfully employed in rural pursuits if capital were supplied. Fifteen years later when the linch-pin of the Company's original mode of operation was removed with the abolition of convict assignment, King was not unduly alarmed. The seeming anomaly implied in this comparison can only be understood against the background of labour shortages during the thirties. The announcements of Normanby and Gipps merely confirmed what Dumaresq and Ebsworth had realised. These men had recommended that free labourers and families be sent out from Britain for the Company and King made similar requests.12

The Court had, by this time, acted on the earlier recommendations. During August and September 1840 the first batches of indentured immigrants arrived in Sydney. One hundred agricultural labourers - all Irish and single - were sent out, as well as some 40 colliers. On their arrival in Sydney many of these men succumbed to offers held out to them and refused to embark for Port Stephens. Others, dissatisfied by conditions on the voyage out, readily accepted offers of alternative employment upon arrival in Sydney. King immediately instituted proceedings to recover these men's services for the Company but lost the Supreme Court hearing because of legal difficulties in proving the signatures of the witnesses to their engagements. Only 25 of these labourers chose to go to Port Stephens. While it is tempting to see the unwillingness of these men to go to Port Stephens as a reflection of long standing Irish and English hatreds, or even Roman Catholic and Anglican antipathies, the reasons were very pragmatic indeed. The men did not realise the nature of their indentures - an unscrupulous speculator in immigration recruitment had led them to believe they were immigrants who could not be committed to any particular employer. While waiting in Sydney for Company agents to meet them on their arrival they were refused grain rations.

12 King to Court, 12 February 1840, ibid., p.339.
available to bounty men but not to indentured immigrants. This led the men to search for alternative work. The third, very pragmatic reason lay in the high wages offered by Sydney merchants acting as agents for up-country squatters.\footnote{King to Court, 24 August 1840, \textit{ibid.}, pp.477-80; King to Court, 26 September 1840, \textit{ibid.}, pp.513-26; \textit{N.S.W.L.C.}, V. \& F., 1847, p.367.} The unsatisfactory results of these initial attempts at large scale immigration caused King much uneasiness by the end of 1840. He feared for the quality of shepherding.\footnote{King to Court, 30 October 1840, 78/1/16, pp.540-41.}

Undaunted by this initial failure King persisted in his plans for immigrant workers and urged the Court to tighten up the loose procedures on the British end in recruitment and contracts. Although Normanby had stated the Company could claim the bounty, Gipps would not allow this as the corporation had never contributed to the land fund. The nature of its land grants excluded it from this obligation. This meant that the Company was thrown entirely on its own resources in organizing its immigration schemes. Although aware of these difficulties and the deepening depression in colonial affairs, King knew that the Company must continue to import both labourers and miners. Between 1841 and 1845 large numbers of Irish labourers, fleeing a famine-ridden land, were brought to Australia by the Company. Batches of Welsh and Scottish miners were also brought out to supplement the colliers. By these means King was able to maintain a steady number of men on both the pastoral estate and at the colliery. At the beginning of this period the Company's policy was geared towards maintaining a total of 500 men on the pastoral estate and 100 at the colliery. During the years from 1839 to the end of 1849 the number of men on the pastoral estate varied between 558 and 326, and except for a tapering off after 1847, it remained close to 400. At the colliery the number varied between 96 and 183, but remained close to 100.\footnote{King to Court, 10 April 1840, \textit{ibid.}, p.370; Ebsworth to Court, 28 November 1838, \textit{ibid.}, p.91; Appendix G.}
It must be concluded then that King was able to guide the Company into a new era with considerable skill. If the 1840's had been better in climatic and economic conditions, the Company should have been able to achieve a marked expansion of its activities. Detailed examination of the colliery and the pastoral estate will later indicate the factors militating against this possibility.

The figures on the Company's work force, of course, do not indicate some very important changes in the nature of the immigrant servants. As a result of both the initial experiment with the single labourers and unrest amongst the Welsh miners King altered his policy to some extent. He recommended to the Court that future colliers migrating to work for the Company be married. This, he hoped, would induce stability in the labour force and hinder mobility. It would prevent the tendency of the single miners to marry convict women and to frequent public houses. 16 While it may be doubted from these thoughts whether King appreciated the extent to which a coal mining community tends to be a closely knit social group centred around its pub, benefit society and church, 17 the trend of his thinking is clear. His conservative mind was concerned with the stability of the social fabric. A similar concern was evident in his concern for the workers on the pastoral estate at Port Stephens and in the interior. While he realised that single labourers trained as shepherds would perform the bulk of work on the pastoral estate he favoured the stationing of married overseers at Telligherry, Gloucester, Nowendoc, Tamworth, Goonoo Goonoo and other chief centres such as Giro, Bowman River, Avon River and Gangat. It was not possible to achieve this aim fully but it remained a constant ideal. His thoughts were similar to those of Henry Dumaresq when he appointed Edward Robins, Superintendent of the Gloucester station in 1836. The presence of a married couple at this station 30 miles from the Company's headquarters at Stroud would be beneficial to the men and cut down on the type of behaviour which King's conservatism associated with

16 King to H.T. Ebsworth, 4 September 1841, 78/1/17, p.3.

bush life. In a similar way King stationed the newly arrived Thomas Laurie and his family at the even more remote Nowendoc station in 1841.18

Evidence of this concern of King's is clear from an examination of his aim to see schools and churches erected on the estates as well as from his expressed attitude to Governor Gipps on the squattting issue. King's attitude was constant during the years of his association with the Company. When accepting nomination as Commissioner in 1839 he expressly stated that he hoped the Court would not be disappointed in his efforts to promote the moral and religious interests of the Company. He was well aware of the Company's original intention to employ the convicts in a way of life conducive to their punishment and reformation.19 King was a product of his times and, like Parry and Dumaresq, associated this aim with the work of his chaplain as much as with the tasks of police and magistrates. Some indication of King's belief may be inferred from the ordination of his son Robert Lethbridge King in September 1847. Robert Lethbridge King returned to New South Wales for his ordination and was inducted into a curacy at Saint Philip's in Harrington Street, Sydney. His father was pleased to note that his son had arrived in the colony free from the tractarian taint: without being low church he would be a preacher of the Gospel. This judgement, presumably, reflects Parker King's views and would place him in the Broad Anglican stream.20 This conclusion accords with his earlier opposition to Governor Bourke's moves to remove

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18 Dumaresq to Court, 28 November 1836, 78/1/15, pp.536, 541-42; King to Court, 15 June 1845, 78/1/18, pp.236-41; Gidley King to Parker King, n.d. December 1846, 78/1/17, pp.1128-48; L. Leichhardt, "Log of my Journey from Port Stephens to Peak Range", 22 October 1846, D.L. MS.30.

19 King to Court, 15 March 1839, 78/1/16, pp.126-30; King to Court, 12 April 1839, ibid., p.141.

20 King to Engstrom, 20 March 1848, 78/1/19, p.92; Eighth Report of St. Philip's Parochial Association, Sydney, 1849, p.4.
preferential treatment previously given to the Church of England and makes intelligible his encouragement of later moves in Northern New South Wales. Parker King especially welcomed the arrival of Dr William Tyrrell as Bishop of Maitland in 1848. King was very anxious to discuss with Dr Tyrrell suggestions for churches and schools on the Company lands, especially at the Peel. King saw this policy as part of the Company's aim: a proper attention to the moral and religious conduct of the establishment was of the highest importance not only to the character but also to the comfort of the servants and the interests of the Company. Such a conclusion is verified from Bishop Tyrrell's first visit to Carrington and Stroud in May 1848. Tyrrell conducted divine service and, at Stroud, confirmed 26 young persons; several of whom had been born on the Company's estate. Tyrrell expressed his pleasure with the orderly conduct of the servants as also with the arrangement of the Church and School Departments. King's reaction to this expression of satisfaction sums up his attitude on this matter. He said that he was not aware that such details merited the Diocesan's approval more than when he first arrived at Port Stephens in 1839, but he was pleased to receive the first compliment of this nature conferred upon the Company. Although Bishop Broughton was satisfied with the Company he had withheld any expression of his gratitude: William Macquarie Cowper's exertion and zeal, constantly in evidence since his appointment in 1836, had, at last to King's satisfaction been acknowledged.

The above analysis of the transition from the period of assigned convict labour to the era of free labour has shown the ability of the Company to cope with the change and, at the same time, to remain the same organisation although dependent on a different labour base. This, and King's attitude to churches and schools, is sufficient to establish the picture of a corporation conscious of its civilising role. There can be little doubt that King regarded the Company as a third group in

21 King to Court, 3 March 1848, 78/1/19, pp.115-16.

22 King to Court, 17 August 1848, ibid., pp.196-97.
the pastoral industry of New South Wales quite distinct from the two categories isolated by Michael Roe as landed proprietors and squatters. While sharing some interests, such as stock raising, wool growing and employment of convict servants with both these groups, the Company was quite distinct because of its large capital base and the conscious policies it adopted of civilising its work force in what it regarded as an essential part of its normal activities. Enough has been seen of Dumas's refusal to have the Company equated with such landed proprietors as the Macarthurs, Lawson, Berry or Wollstonecraft to indicate that the Company regarded itself as different. The distinction between the Company and squatters can best be seen in King's clearly expressed attitude to the squatting issue of 1844. This issue must first be set in a general economic context.

During the thirties New South Wales had become an established and growing exporter of wool. The drought and depression of 1827-1830 broke in 1831 and by 1834 the colony was on a sound footing. This revival had been caused by the movement of immigrants and the inflow of capital to the colony which grew progressively during the thirties. Despite a slight reversal in the last quarter of 1837 capital flowed into the colony at an unprecedented rate. This trend continued despite a crisis in the English economy in 1839. It was not until 1842 that British withdrawal of capital commenced. This withdrawal was in response to a downward trend in the colonial economy.

23 M. Roe, Quest for Authority in Eastern Australia 1835-1851, Melbourne, 1965, pp.35-76.

24 Dumas to Court, n.d. January 1835, 78/1/15, pp.154-59, 163-67; Col. Sec. to Dumas, 10 January 1835 and Dumas to Col. Sec., 21 January 1835, encl. in Dumas to Court, n.d. January 1835, ibid., pp.195-97; Dumas to Col. Sec., 10 August 1835 and Col. Sec. to Dumas, 1 September 1835, encl. in Dumas to Court, 10 September 1835, ibid., pp.342-44, 350, 360-65; Dumas to Court, 28 January 1836, ibid., pp.419-22.

Between 1841 and 1843 New South Wales suffered from a severe economic depression. This depression was as marked in its effects as the boom of the thirties. Though an exhaustive analysis of the causes of this crisis has yet to be written there can be little doubt that various factors contributed to the depression. The coincidence of various factors in 1839 all helped: drought conditions, declining wool prices, Gipps' announcement of the decision to abolish convict assignment, and the announcement of an increase in the minimum upset price of land from 5/- to 12/- an acre combined to induce a sense of panic. 26 Professor S.J. Butlin has suggested that the slump developed from conditions within the wool industry', a possibility which will be examined in an analysis of the Company's pastoral operations during the 1840's. 27

Just as the economy had begun to show signs of a slight revival in 1844 Governor Gipps attempted to extend governmental control over the squatting lands outside the 1829 Limits of Location. 28 These Government Regulations were aimed at remodelling the squatting system previously covered by legislation passed during Governor Bourke's administration. On 2 April, Gipps published the Occupation Regulations which defined a station as an area of not more than 20 square miles and capable of carrying not more than 4000 sheep or 500 head of cattle. If a Commissioner of Crown Lands certified that more than 20 square miles was necessary to depasture that number of stock, a corresponding larger station would be included within the definition. A separate annual £10 licence would be required for each such station. These regulations were due to take effect on 1 July 1845. On 3 April Gipps sent to the Colonial Office another set

28 King to Court, 24 May 1844, 78/1/17, p.831.
of regulations, now known as the Proposed Purchase Regulations, but he did not publish them in the colony. These regulations proposed that every licensed squatter, after an occupation of five years, should be given an opportunity of buying not less than 320 acres of his run as a homestead, and such a purchase would ensure his occupation of the whole run - for which the annual licence-fee would still be paid - for eight years. A squatter who did not avail himself of this chance would be 'exposed to the danger' of having part of his run offered for sale, either at the pleasure of the Crown, or on the demand of an individual. Associated clauses of these regulations covered similar aspects of either securing or becoming liable to lose stations. Gipps sent these Regulations to Lord Stanley on the ship General Hewitt but did not intend to publish them until he had received a reply from the Colonial Office.  

Gipps had various aims in mind in attempting to restructure the squatting system: he wished to safeguard the rights of the Crown to ownership of land beyond the boundaries, he aimed to encourage squatters to improve their social and moral setting, he was determined to see justice done between small and large squatters. As in all administration of Crown Lands he hoped to raise sufficient revenue to finance an enlarged programme of migration. There was little likelihood that Phillip Parker King would disagree with Gipps' aims or his actions in 1844. An explanation of this agreement will not only illustrate King's attitude to the squatters but will also help to contribute to recent debate among historians on this issue.

Gipps sent the promulgated Occupation Regulations to the Colonial Office on 3 April before colonial opinion could be gauged. It did not take long for opposition to gather force. Many serious wool producers reacted to the proposed licence fee as though it would effectively end pastoralism. When the opposition was heard


it was conveyed in most bitter terms and the substance of the remon-
strance was echoed from the remotest corner of the interior. From
Scone, Goulburn, Penrith, Mudgee, Camden, Singleton and Australia
Felix the cries of protest, accompanied by strongly worded resolutions
carried by meetings, descended upon the Governor and Legislative Coun-
cil in Sydney.31 The first of these meetings took place in Sydney on
9 April. It was chaired by Dr William Bland, representative for
Sydney in the new Legislative Council. Resolutions passed at this
meeting condemned the action taken by Gipps and moved for the form-
atation of a Pastoralists' Association under the chairmanship of another
representative for Sydney in the Council, the redoubtable William
Charles Wentworth.32

On 13 May some friends of the Governor were permitted to publish
an explanation of Gipps' views on squatters. This explanation was
the substance of the Proposed Purchase Regulations. These were, at
first, hailed as a considerable boon. A few days later, however, at
a meeting of the Pastoralists' Association a protest was published.
King thought this protest represented general public opinion.33

Considerable disagreement persists in the interpretation of these
events. The first sound interpretation of the furore created by
Gipps' proclamation of 2 April is that of K. Buckley. Buckley con-
sidered that the hostile reception, exemplified by such meetings
as those chaired by Dr Bland, represented a more general and deep-

31 Gipps to Stanley, 3 April 1844, H.R.A., S.1, vol.XXIII, pp.507-
15, 516-18; C.M.H. Clark, Select Documents in Australian History,
1788-1850, pp.248-52; King to Court, 24 May 1844, 78/1/17, p.833.

32 Ibid., p.834. For resolutions of meeting on 9 April 1844, see
Appendix to Report of Select Committee on Crown Land Grievances
N.S.W.L.C., V. & P., 1844, vol.II, pp.112-1-2. For detailed report
of speeches by Wentworth and others protesting against the regulations,
see S.M.H., 10 April 1844, pp.2-3. See also article by
John Cobley on William Bland and article by Michael Perse on William

33 King to Court, 24 May 1844, 78/1/17, pp.833-34; S.M.H., 13 May
1844, p.2; Gipps to Stanley, 16 April 1844, H.R.A., S.1, vol.XXIII,
pp.545-49. See also S.M.H., 18 May 1844, p.3, for protest of Went-
worth and others over the statement published on 13 May.
seated dissatisfaction with various aspects of land administration. Aware of the undeniable dominance of large squatters and landowners in the proceedings of the various protest meetings held in April Buckley suggested a hypothesis that the campaign against Gipps received added urgency and vigour from a foreboding that further regulations, such as the "General Hewitt" regulations of 13 May, were imminent. In 1965 B. Dyster offered a complementary interpretation. Dyster felt that Buckley's explanation did not throw much light on the support given to the squatters' campaign by merchants, artisans, town dwellers, and others who were not primarily squatters or landowners. The thesis was that the protest movement which began in April 1844, though short-lived, was a reflection of a general concern for the future welfare of the colony as a whole and of the squatter in particular.

Recently P. Burroughs has rounded out these interpretations. He accepts Buckley's conclusion about general dissatisfaction with land administration and agrees with Dyster's point that there was an awareness in the community of a basic identity of interests sharpened by a common experience of the 1841-43 depression. At the same time, Burroughs doubts Buckley's hypothesis, that the campaign against Gipps received urgency from a foreboding that further regulations were imminent. Buckley concluded that when settlers like Benjamin Boyd and William Wentworth 'studied the occupation regulations they realised their true significance in connection with purchase proposals which might follow'. Burroughs argues that this conclusion is not conceivable, but is highly unlikely. Burroughs also points out that constitutional considerations reinforced the awareness of an identity of interests. More recently G.J. Abbott has sided

34 Buckley, op.cit., Part 1, pp.79-80.
37 Ibid., pp.308-12.
with Burroughs. Abbott thinks that both Dyster and Buckley pay too little emphasis to the constitutional implications of the way Gipps issued the regulations: did the governor have the right to impose such regulations? Abbott agrees with Burroughs that to understand the degree of opposition to Gipps in 1844 it is not sufficient to consider only economic implications: the political are equally important. In other words, the recent conclusions of Abbott, Burroughs and Dyster modify Buckley's view by insisting that there are wider issues involved as well as economic ones. None of these four interpretations are really in conflict with each other but are, in effect, complementary.

Phillip Parker King's attitude to the squatting issue provides further evidence to support the interpretation which stresses a number of issues, although he put most weight on the importance of wool exports to the colony. The Company may have seemed to have been involved only peripherally in this important dispute because its pastoral estates at Port Stephens, Liverpool Plains and the Peel were possessed by right of grant. The squatting issue affected the stations at Giro, Upper Barnard and Nowendoc. Although the pastures on the Nowendoc station were not essential except during droughts when flocks from the lower country were brought up the Hungry Hill, the land between Nowendoc and Callaghans Swamps was vital as a link between Gloucester and the Peel. Until 1843 the country occupied by the Company north and west of the Hungry Hill was considered to be within the colonial boundaries as defined by the 1829 Limits of Location. As no squatter was close enough to show interest, no land in this region had previously been rented. In 1843 a general order declared the Barnard River, or the northern headwaters of the Manning, the northern boundary of the located portion of the colony in that region. This proclamation placed the Nowendoc run in the New England district and made the Company a squatter. Under the regulations promulgated by Gipps on 2 April 1844 this made the station liable to the usual annual licence fee of £10 and the assessment of one penny per sheep.

This meant that the squatting issue in fact affected the Company in a close way because of the importance of the Gloucester to Tamworth line of communication running through these stations. King did not see the "General Hewitt" regulations as having any bearing on the squatting issue in so far as it affected the Company. This, then, would seem to establish a prima facie case for Burroughs' argument that Buckley's hypothesis is unlikely.

From a wish not to compromise the Court of Directors King did not take an active part in the meeting chaired by Dr Bland or append his signature to the petition which had been signed almost universally by the colonists. On the other hand, King kept a close eye on events. His attitude shows an even mixture of concern for both the economic and constitutional issues thus providing further evidence for the wider case posited by Burroughs and Abbott. King judged that the Occupation Regulations put a stop to all business connected with stock except the boiling down of sheep and cattle for tallow. This business was being carried on at a furious rate. The adoption of the regulations, even as amended by the Proposed Purchase Regulations, would destroy the colony as a wool-producer. The mere promulgation of the regulations had dealt a heavy blow to the hopes of many settlers. Even in the middle months of 1844, a full year before the regulations were due to take effect, many persons thought it preferable to boil down all flocks. In this way they could realise some profit and not be subjected to Government demands. This concern with economic issues was matched by an awareness of political considerations. King recognised the need to institute a more stringent system to regulate the spread of squatters outside the Limits of Location. But he thought Gipps could scarcely have chosen a worse time to introduce it: it was still a time of general depression and of actual distress. There was so little time for the Secretary of State for Colonies to consider the Governor's step that the regulations would come into force before any antidote could be administered.

39 King to Court, 24 May 1844, 78/1/17, pp.834-39; Government Gazette, 12 May 1843, p.645.

40 King to Court, 24 May 1844, 78/1/17, pp.831-32, 839-40.
Although King agreed that some regulations must be adopted, he thought they must be just to the many and not merely advantageous to the few. At an interview with Gipps in May King stated his position. Gipps then showed King a return illustrating lands occupied by "magnificent squatters" such as James Walker of Walerowang in the Wellington district. Men such as Walker, who held upwards of 5 million acres, paid the same $10 fee as squatters with no more than 1000 acres. King considered this claim an unfair representation of the facts: it did not make due allowance for broken country formed by mountain barriers. Gipps incorrectly assumed all the space was occupied. King explained to the Court and to Gipps that when the licence fee of $10 was established in July 1836 by Sir Richard Bourke it had a precise purpose: the fee was stated to be a recognition of the rights of the Crown and to prevent improper persons from holding the Government lands.\footnote{Ibid., pp.840-41.}

King expounded his opinion on the question to Gipps. Gipps' 1844 attempt to change this licence fee still left the basic problem of land tenure unsolved. Because the licence had to be renewed annually, the licensee made any improvements to the land, dwellings and yards at his own risk. He was left to bargain with his neighbours about the boundaries of his runs as there were no Crown surveys. Pastoralists, with good reason, hesitated to develop their holdings. Runs were unfenced, buildings were of bark, drains for stock watering were avoided. These factors, combined with disputes between squatters, and conflicts between shepherds and the Aborigines, highlighted the need for greater Government control.\footnote{Ibid., p.844.} Under the Act 2 Vict. No. 19 of 2 October 1838 and its subsequent and more far reaching 2 Vict. No. 27 of 22 March 1839, definite moves were made in this direction. An Act, 2 Vict. No. 19, to continue and amend an Act to restrain the unauthorised occupation of Crown Lands, was the first real attempt to put teeth into Bourke's measures of 29 July 1836 in 7 Wil. IV No. 4. It was
followed by the more sweeping 2 Vict. No. 27 which appointed Commissioners of Crown Lands to the nine districts of Port Macquarie, New England, Liverpool Plains, Bligh, Wellington, Lachlan, Murrumbidgee, Monaro and Port Phillip. These Commissioners had the power to define the boundaries of runs and to adjust the sizes of runs according to stock sizes. If the Commissioner did his duty no proprietor could hold more land than was fair - in other words, to feed the stock for which he paid an annual assessment.

Governor Gipps agreed with many of King's points but complained that the Commissioners of Crown Lands would not do their duty. With undue partiality, the Commissioners favoured some squatters and were severe upon others. King replied to this objection with the straight rejoinder that such Commissioners ought to be dismissed. It was useless to draw up regulations not framed according to the varied character of the country in different regions. If runs comprised the same type of country, equally well watered and clothed with trees, one general regulation would apply. Such was not the case under the occupation regulations promulgated by Gipps. It was possible for a squatter to select a block of 28 square miles. This might contain only 7 miles frontage on a river with open plains extending back to a range of mountains. To occupy 20 square miles the proprietor must spread his stations for as many miles along the stream, as the stock could not feed for more than a mile back from the water. King opined the Commissioner ought to be a surveyor sufficiently acquainted with the principles of surveying to form a general map of his district. On this map the runs should be described and defined either by natural boundaries such as the line of a creek or a range of hills. If the country were a plain or a continuation of level land it could be defined by a magnetic line for a certain number of miles. Decisions made on such bases by the Commissioners of Crown Lands should then be referrable to a Surveyor-General who might arbitrate on disputed boundaries.


Callaghan, op.cit., pp.375-82.

King to Court, 24 May 1844, 78/1/17, pp.844-45.
Such a system ought to be adopted to protect the public and prevent the undue occupation of large tracts of country by squatters with stock insufficient to utilise the land effectively.

In King's view, there was one remaining object necessary for the protection of the settler. This was the right of pre-emption at a fixed rate. The amended Proposed Purchase plan of Gipps attempted to cover this contingency. There were, however, two strong objections to this plan: the minimum price of 20/- per acre was excessive and the provision to sell the land by auction was objectionable. Gipps was adamant: these points were fixed by Acts of Parliament. King hoped the Act was not like the Laws of the Medes and Persians: an Act that could never be repealed.46

King thought that Gipps was prejudiced in favour of the recently raised minimum price of 20/- per acre as laid down by the Australian Land Sales Act of 1842. Gipps denied having recommended the increase. He said he was opposed to the price being raised in 1838 from 5/- to 12/- per acre. At the time Gipps thought 7/6d. a more suitable value. By 1844, however, Gipps thought 20/- a better price. The Government did not want the colonists to buy land; if the high price prevented purchase, that factor alone was a sufficient proof of the propriety of such a price. The sheep breeder could avail himself of the opportunity to use land by squatting. In this way, he could carry on his operations at a small expense. The Government wished to offer every facility to sheep breeders but there was no necessity for them to purchase land for any purpose other than the formation of a homestead.

King's concern went to the deeper social and economic consequences of this intransigent attitude. King knew that at the current low wage levels and even with practising the greatest economy, 4000 sheep would not produce a larger profit than £100 per annum under optimum conditions. Over a five year period a

46 Ibid., pp.845-47.
squier might purchase 320 acres for £320. This would leave him only £180 for all the contingencies liable to occur over a long period of five years. If burdens to the pastoralists were increased, King believed that the undoubted consequence would be the destruction of the whole community. Expenses for large proprietors were proportionately less and advantages greater. On the other hand, the Government described squatting stations no larger than 3000 to 5000 acres but most of them were actually from 30,000 to 50,000 acres. This was a proof of the Government's ignorance of the facts of the issue and indicated its incompetence to decide upon matters of such importance to New South Wales.47

To King the current issue could be reduced to one basic question: since the supply of fine wool was a subject of the highest importance to Great Britain, how could the settlers of Australia be tided through the grim, but hopefully temporary, economic and social distress of 1844 so that Great Britain might continue to derive the benefit of one commodity of such consequence to its manufacturing interests? King was absolutely certain of one thing: by depressing the colonists, the valuable wool export trade would be crushed. The result of such action would be obvious when it was too late. The narrow policy which had dictated the acts of the Government would be regretted and deplored. Tied in with King's real concern for the colonial economy was a realisation that some of the squatters' claims were extravagant and must be repudiated. For this reason he thought letters such as those published in the Sydney Morning Herald by Edward Hamilton, the Company's tenant on Phillip Creek, were valuable as they represented honest opinion. Hamilton was critical of attempts to equate small and large squatters. He considered that absenteeism, resulting in inefficient management, was the chief cause of lack of profits by many squatters.48 In general he agreed with the principle of Gipps' new regulations.

48 Ibid., pp.850-51. For letters of Edward Hamilton on the squattting issue, see S.M.H., 23 April 1844, p.3 and 22 May 1844, p.2.
Beyond this concern for economic issues King betrayed a genuine fear of some of the methods used in the attack on the new regulations. King was convinced the colonists had acted wrongly in petitioning Queen Victoria and the new Legislative Council of New South Wales instead of Governor Gipps. If Governor Gipps had turned a deaf ear to a respectful remonstrance, the next course would have been a petition to the Queen and the Council. King thought New South Welshmen were so inflated by their free institutions they forgot the proper processes. The consequence would be that a refusal would be given to the prayer of petition. Queen Victoria would claim her prerogative over the Crown lands. The Queen would confirm the regulations without giving New South Wales the advantage even of the amendments recommended by Gipps. King's attitude on the constitutional question was diametrically opposite to that of the Rev. J.D. Lang who, while no friend of squatters and squatting, was concerned that Gipps had acted in an unconstitutional way which impeded the liberties of the colonists. While King's view reflected his basic conservatism, he agreed with Lang in showing an awareness of the constitutional processes being used in the squatting issue during April and May. 49

From the above it is fair to conclude that Buckley was correct when he urged for universal dissatisfaction with the administration of land policy. King's detailed discussion with Gipps on the issues of large squatters, tenure, boundaries, surveys, Commissioners of Crown Lands, and the minimum upset price leave little doubt on this point. His paring down of the dispute to the one essential question of the importance of fine wool exports to the economic well-being of the whole community, reinforces Oyster's thesis. At the same time King's concern with political and constitutional questions establishes the general validity of the wider interpretation more recently posed by Burroughs and Abbott. Thus the experience of the Company in the controversy of Gipps and the graziers serves to emphasise the wide range of issues involved.

49 King to Court, 24 May 1844, 78/1/17, pp.851-52; Abbott, op.cit., pp.166-67.
It is also obvious from the above survey that, as already observed, King regarded the Company as being quite distinct from squatter society. He showed a very strong consciousness of the unique nature of the Company's land being possessed by deed of grant. Even where the Company was caught up in the squatting issue through its stations on the Barnard and Nowendoc rivers, one is left in no doubt that King saw this as quite incidental to the Company's nature. For King the Australian Agricultural Company was quite definitely a distinct entity in the pastoral industry: different from the squatters, and from the landed proprietors. This distinction between the Company and the squatters can be seen best of all in King's attitude to police control outside the boundaries and in the issue of the Company's land titles.

King's concern for the peaceful rule of order has previously been established. The spread of squatting to the Gwydir, New England and Moreton Bay soon posed problems for him in this regard. As in the early days of settlement at Port Stephens the Company performed the role of being, by default, a local government authority. For example, the Company had undertaken the responsibility of mail conveyance between Tamworth and Murrurundi, on the Pages River. In 1842, the mail was stopped twice by bushrangers without any notice being taken by the police. King decided to surrender this responsibility of mail conveyance rather than provoke a clash with authorities. 50

His moderate response on this question was, however, outweighed in 1843 on an issue that directly touched upon the squatting problem. The districts along the Peel were in such a lawless state that the traditional calm of this inland establishment had been greatly disturbed. King asked Gipps to appoint a magistrate to the region. This situation had arisen entirely because of the conduct of Edward Mayne, Commissioner of Crown Lands for the Liverpool Plains. Mayne's unwillingness to carry out his responsibilities

50 King to Court, 26 December 1842, 78/1/17, pp.332-33.
had delayed completion of a lock-up at Tamworth, but by early January 1844 it had been completed. Rather than endure Mayne's reckless attitude any longer King indicated the Company's willingness to pay the expenses of a constable and lock-up keeper. Drunkenness, theft, bushranging and burglary were rife. Two bushrangers, Tim Bradish and Ed Branigan, had set out on a campaign of lawlessness which disturbed the Peel from Christmas 1843 till their capture by Company employees in June 1844. King was particularly incensed when these men entered and robbed the Goonoo Goonoo store. Rather than deal with any Commissioner for Crown Lands, especially as the whole position was so uncertain after April-May 1844, King made his own arrangements. George Jenkin, formerly an overseer at Gloucester and on the Peel, had recently ended his term of service with the Company. King negotiated for his appointment as a magistrate in return for his being allowed to rent from the Company, land just south of Tamworth known today as the Wallamore flats. With the establishment of the Tamworth lock-up and the appointment of Jenkin as magistrate, the Peel was quiet and undisturbed by grog sellers or bushrangers. King considered that a great public and private gain had been achieved at the cost of the Company, which not only erected the buildings but maintained the constabulary force at its own expense.\(^{51}\)

As the issue between Gipps and the squatters moved towards a compromise in 1847, King realised the advantage of the Company providing for police control outside the boundaries. In its last session before prorogation in 1846 the Legislative Council had refused to renew the Squatting Act of 1839. This meant that no assessment would be levied for the half year ending 31 December 1846. As it was expected that no similar squatting bill would be passed during the next session, no assessment would be levied for 1847. For this reason there were no police and no protection in the squatting districts - a situation which worried King. It was

\(^{51}\) King to Court, 9 January 1844, ibid., pp.711-12; King to Court, 26 December 1844, ibid., p.1133; L.L. Green, "Woolomol Settled in Early 1830's", The Northern Daily Leader, 20 May 1971, p.6.
also a situation in marked contrast to that pertaining on the Company's lands. 52

In the meantime the squatting question was moving towards the compromise of 1846-47. By October 1845 Gipps' Squatting Regulations, even as amended, had not been promulgated. The colonists did not know the form of the Regulations but surmised that concessions would be made to the squatters' demands: that instead of 320 acres, only 160 acres would have to be purchased and that upon purchase the run would be guaranteed for twelve years. This speculation was abruptly ended when Lord Stanley went out of office. During 1845 Under-Secretary Hope had introduced to Parliament a bill whose basic principles were to retain the principles of the 1842 Land Sales Act, to make unsold lands productive and to give security of tenure to occupiers of unsold lands on easier terms than were possible under the existing act. This Bill was abandoned. It was replaced by the Australian Lands Act of 1846 and the Order-in-Council of 9 March 1847. The essential points of this legislation entailed a compromise which generally favoured the squatter: established squatters would be granted, without competition, eight or fourteen year leases for their runs. They would pay a rent of £10 per annum for a carrying capacity of 4,000 sheep, plus proportionate payments for a carrying capacity in excess of that number. The text of the Order-in-Council was published in the Government Gazette on 7 October 1847, 53 but the new laws did not come into effect till as late as 1852 in many districts.

The question of the Company's lands at Newcastle, Port Stephens, Peel River and Liverpool Plains was quite distinct from this solution to the squatting issue. Although the Company had been granted these lands in 1828 and 1833 it did not obtain possession of the legal titles till 1847. Because of the concurrence of this year

52 King to Court, 15 August 1846, 78/1/18, pp. 747-49.

53 King to Court, 7 October 1845, ibid., p.391; Abbott, op.cit., pp.173-76; Buckley, op.cit., Part 2, p.100.
with the 1847 Order-in-Council, it is important to remember that the Company's land grant question had no relation to the squatting issue. This has not always been clearly understood in the past. After the final boundaries of the Company's land grants were determined by the Surveyor-General's Office in Sydney in October 1835 the matter was referred to the Registrar-General. Arrears of work and negotiations by Dumaresq over further land exchanges delayed final preparation of the draft deeds till early 1844. After receipt in London legal technicalities and further delay prevented the finalising of the deeds till 1846. Because this question has a close bearing on King's handling of the political moves leading to the Company's relinquishing its coal monopoly, it is necessary to outline the story of the title-deeds.

When the draft deeds arrived in London during 1844 the Court of Directors, aided by its Solicitors, judged that the deeds could not be executed as their form was inapplicable to the current state of affairs. As a result the Court initiated new negotiations with Lord Stanley, Secretary of State for Colonies. The Court laid emphasis on the special circumstances relating to the foundation of the corporation, the primary importance attached by Earl Bathurst to guarding against the grant being used merely as a speculation, the capital improvements made to the lands, and the inability of the Government to fulfil its moral obligation to continue the supply of convict labour. Under the terms of the Charter the ability of the Company to alienate, by sale, sections of its lands, was related to the capital improvements performed on the land. The valuation of these improvements was carried out each year by the Surveyor-General. The Court felt that taking these and other factors into consideration the Company should be granted a special licence to sell its lands. This argument immediately became involved with the question of the coal monopoly when the Court asked the Colonial Office to reconsider the status of the coal grant land at Newcastle.

54 For example, W.E.R. Wilson, *A History of the Australian Agricultural Company*, M.A., 1933, p.8, clearly stated that the Australian Lands Act of 1846 was the legislation relevant to the Company's lands.
Governor Gipps had previously told King that the money spent on the coal land did not give the Company a proportionate right of alienation. But under an interpretation based on the 1824 Act of Parliament, the Charter, and altered policy of the Home Government in not holding the Company to a perpetual tenure in mortmain, the restriction on alienation was then removed.

On 7 August 1846, the Act 9 & 10 Vict. cap.351, a Local and Personal Act of Parliament, which had no relation with the Australian Lands Act of 1846, passed through the House of Commons. This legislation recited both 5 Geo. IV. cap.86 of 21 June 1824 and the Royal Charter of 1 November 1824. The new Bill enacted that it would be lawful for Queen Victoria, by warrant under the Royal Sign Manual, to grant by deed to the Company any lands, tenements and hereditaments in New South Wales. These lands, tenements and hereditaments were freed and forever discharged of quit-rents, conditions, promises, limitations and restrictions expressed in the Charter. The Bill enabled the Company to hold and to alienate, sell and dispose of 500,000 acres of its lands. The Court then in 1846 presented a well reasoned request for the removal of all existing limitations on the remaining 500,000 acres. Earl Grey, the new Secretary of State, was asked to grant all lands in fee simple. It was argued that any attempt to define one half of the property under the tenure of mortmain and the other half under the tenure of fee simple, would pose difficult, if not intractable, problems. It will be seen in the next chapter that the question of the Company's coal privileges was a vexed point by this year. In return for the surrender of these privileges by the Company Earl Grey agreed to transfer the remaining lands to the title of fee simple.

In November 1847 Governor FitzRoy issued the Deed of Grant: the Company gained possession of 464,640 acres in county Gloucester; 249,600 acres at Liverpool Plains; 313,298 acres on the Peel River; 2000 acres in the parish of Newcastle, county of Northumberland; allotments 23 and 52 in the town of Newcastle and the right to mine coal under 87 acres to which surface rights had been surrendered.
The Company was now free to alienate all or some of its land. 55

From the above discussion of the labour, squatting, police and land questions it can be clearly concluded that King's period of management enabled the Company to adjust without serious difficulty to the hazardous period of the 1840's. For a Company whose raison d'etre was the profitable employment of large numbers of convict servants this, in itself, was quite an achievement.

55 King to H.T. Ebsworth, 23 February 1844, 78/1/17, pp.748-49; Court to Stanley, 20 December 1844, Ferguson 6315, pp.17-22; Stephen to Court, 16 September 1845, ibid., p.23; Court to Stanley, 17 October 1845, ibid., pp.24-26; Court to King, 29 August 1846, 1/19/5; 9 & 10 Vict. cap. 351, assented to 7th August, Reciting 5 Geo. IV. cap. 86 and Royal Charter, Ferguson 6315, pp.26-27; Deed of Grant under the hand of Sir Charles Augustus FitzRoy and the Public Seal of the Colony, 20 November 1847, ibid., pp.34-36; FitzRoy to Grey, 16 February 1848, H.R.A., S.1, vol.XXVI, pp.233-34; King to Court, 20 April 1848, 78/1/19, p.125.
CHAPTER 9

COLLIERY AND COAL MONOPOLY

During the decade of Phillip Parker King's administration the A.A. Company voluntarily surrendered its privileged position in the New South Wales coal industry. This decision was made against a complex background of legal action and political manoeuvre which has never been clearly depicted. For this reason it is necessary to portray in some detail the position of the Company's Newcastle colliery during the 1840's. At the same time, consideration will be given to the physical development of the colliery in its pits and technical installations. General attention has been paid to the way in which the colliery was affected by the change from convict to free labour. The labour question will be examined in this chapter from the viewpoint of management-labour relations.

During 1839 King realised the Company would face increasing competition in the working of coal mines. The Company had undertaken the working of coal mines at the express desire of the Home Government but eleven years had elapsed since the 1828 agreement with the Colonial Office. In these eleven years the Company had not yet been reimbursed for the heavy outlay incurred in placing the colliery in efficient working condition.\(^1\)

Social and political developments between 1828 and 1839 had militated against the original agreement and it could not be reasonably argued that the Company's monopoly rights during these eleven years had enabled it ruthlessly to exploit the coal industry or the public. In short, the public benefit had far exceeded the Company's advantage. The Company, for its part, would willingly have relinquished the original agreement and concentrated on

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1 King to Court, 25 May 1839, 78/1/16, pp.161-62; Brownrigg to Marquis of Normanby, 30 May 1839, A.O.N.S.W., 2/2304.
pastoral pursuits. King realised that the forties would bring increasing threats of competition.

These threats, allied with doubts about the precise nature of the Company's privileges, led to an intense legal and political battle from 1845 to 1847 resulting in the Company's voluntary surrender of its privileges. It is possible to discern two distinct phases of this development within the period of King's administration. From the period 1839 to the end of 1844 the Company faced challenge on two levels. Firstly, there were formal representations made to Governor Gipps and the Colonial Office by persons interested in coal mining at Western Port Bay and Moreton Bay. These formal attempts resulted in concussions being granted by the Colonial Office against the Company. At the same time, various illegal attempts were made to mine coal within the Newcastle basin. By the end of 1844 these two strands interlocked because of doubts about the precise terms of the Company's privileges. This resulted, in the second phase, in legal action in 1845 followed by political action from 1845 to 1847. In all these developments King acted firmly to protect the Company's interests.

The formal challenge to the coal privileges came first from the Port Phillip District and, then, from the Moreton Bay District. Both challenges occurred in regions which later became political entities separate from New South Wales. The early development of Port Phillip gained its impetus from Van Diemens Land squatters during the pastoral expansion of the 1830's. By 1839 it was obvious this expansion would continue into the 1840's. The close ties between Van Diemens Land and Port Phillip led naturally to ventures other than squatting. During 1839 Charles Swanston, a Hobart Town banker and businessman, and some associates submitted to the Colonial Office plans to open a coal mine at Western Port on the southern extremity of the mainland, some 500 miles south of Sydney. As a result of these submissions, Lord Normanby informed the A.A. Company's Court of Directors that he did not think its monopoly for the sale of coal could be maintained. Thus, as early as 1839, the Colonial Office partially reneged on the 1828 Agreement with the A.A. Company. The grounds for the decision were not disclosed but
there can be little doubt that the relative proximity of Western Port Bay to Van Diemens Land would have weighed heavily in favour of Swanston's submission. Swanston and his fellow Vandemonians began mining but soon ceased operations because of the difficulty of transporting coal over the eighteen miles of land separating the deposits from the nearest convenient shipment area. This concession was to assume increasing importance as settlement expanded at Moreton Bay.

In 1824 a new penal station had been established at Moreton Bay, some 600 miles north of Sydney. Two years later Earl Bathurst had instructed Governor Darling to use the settlement as a secondary penal station, a function it performed till May 1842. The northern expansion of squatters from the New England and Port Macquarie Pastoral Districts after 1840 led to its being abandoned. The Hunter River Steam Navigation Company, formed in 1839, gradually extended its services from Sydney to Port Macquarie to cater for the new settlement on the Brisbane River. The Navigation Company was soon faced with the problem of supplying its steamers with coal for the return journeys down the coastline to Sydney. Coal deposits at Limestone, later Ipswich, a settlement some twenty miles inland from Moreton Bay led the Company's Directors to approach the colonial Governor for permission to mine coal and bring it by barge down river to Brisbane. The Company sought approval to work coal along lines similar to the permission given to Swanston. Governor Gipps informed the Navigation Company that the A.A. Company's monopoly did not extend to Moreton Bay and said that the Navigation Company could dig for coal at Moreton Bay for steam vessels trading with the new settlement.

King feared that this decision would effectively shatter the monopoly. He asked Gipps whether the title-deeds of land to be sold at Moreton Bay would contain the reservation clause on coal mines. If the clause were to be omitted, King wished to know at what point

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2 Labouchere to Brownrigg, 2 July 1839, ibid.; King to Court, 28 April 1843, 78/1/17, pp.414-17; King to Col. Sec., 6 May 1843, ibid., pp.468-69; King to Court, 11 October 1841, ibid., pp.17-20.
between Newcastle and Moreton Bay the restriction was to terminate. In effect, King was asking Gipps to state the northern boundary of the monopoly right to work coal. Previously, the Colonial Office had decided the southern limit was the latitude of Wilsons Promontory. 3 At this stage, Gipps appeared to waver in his decision. This led the Navigation Company to make a direct approach to King on the matter. Towards the end of 1842 the Navigation Company placed the steamer Shamrock on a regular trade run to Moreton Bay. Francis Clarke, manager and secretary, pointed out to Parker King that this trade could not be remunerative unless the Navigation Company could supply coals at Moreton Bay for the return journey to Sydney. The A.A. Company should either work the coal at Ipswich or else waive its monopoly rights by permitting the Navigation Company to work a mine solely for its own use. For legal and economic reasons King felt he could not comply with either of Clarke’s requests. He also pointed out that the Hobart Town, Launceston and Port Phillip traders were supplied from depots established at those locations. These depots were replenished regularly with coal from the Company’s mines at Newcastle. King felt a keen interest in the welfare of the Navigation Company but regretted it was not within his power to comply with either request. 4 Neither party seems to have discussed putting a depot at Moreton Bay.

The effect of King’s decision had, however, been negated some days earlier by a new ruling of Governor Gipps. Gipps acted within the terms of reference of Sir George Murray’s despatch to Governor Darling on 31 July 1828 and Mr. H. Labouchere’s letter to J.S. Brownrigg of 27 February 1839. Gipps decided that he was not restricted in his ability to allow coal to be worked by free labour

3 King to Col. Sec., 8 March 1842, and encl. in King to Court, 20 April 1842, ibid., pp.155-58; King to Court, 22 March 1842 and encl., ibid., pp.153-39, 143-46.

4 King to H.T. Ebsworth, 4 May 1843, ibid., pp.449-51 and enclosures containing correspondence between King and Francis Clarke from 21 March 1843 to 8 April 1843, ibid., pp.453-62.
on ungranted lands; such permission could be given to any person making a specific application and paying the reasonable price fixed for a licence. In addition, Gipps informed King that he was seeking permission to extend to the district of Moreton Bay the advantage secured for the Port Phillip District in July 1839. The Governor also hoped the reservation clause in all land titles regarding coal mines would be annulled or given up. 5

Gipps was determined to break the monopoly. Such action was in conformity with his expressed opinion that the colony had never derived, nor was likely to derive, any advantage from companies formed in England, not from the Australian Agricultural Company, the Bank of Australasia, or any other corporation. In other words, Gipps favoured policies in line with a free trade philosophy rather than a philosophy of protectionism. King probably had little to fear from Gipps' decision. Unless the Navigation Company decided to sink a shaft at Ipswich it would not interfere with sales. But, with due deference to the Governor's authority, King protested that the promulgation of such permission was opposed to both the spirit and the letter of the Company's agreement. He also pointed out that the Vandemonians obtained all their coal from Newcastle, in spite of the 1839 decision. 6

At this point, the question reached stalemate. The Navigation Company adopted a compromise solution while King stood firm on the A.A. Company's rights. Although no diggings were begun at Ipswich the Navigation Company built a smaller steam vessel designed to tow barges and bring surface coals down river to Brisbane Town to supply the Shamrock. Charles Gray, on behalf of the Navigation Company, wrote to tell King that he wished to operate a barge between

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5 Col. Sec. to King, 27 April 1834 and encl. Minute of Governor Gipps, ibid., pp. 463–67. In arriving at his decision on the applications made by Francis Clarke, King was guided by a judgement of the Court on the question of Moreton Bay. See Court to King, 16 September 1842, 1/19/4.

6 King to Court, 28 April 1843, 76/1/17, pp. 414–17; King to Col. Sec., 6 May 1843, ibid., pp. 468–69; Gipps to Stanley, 8 July 1842, H.R.A., S.1, vol.XXII, p. 136.
Ipswich and Brisbane. Gray wished to know whether such action defied the Company's rights. King replied most firmly in the affirmative. King knew that if the A.A. Company withdrew its rights from Morteon Bay there was no logical reason why other people should not be allowed to operate mines at Clarence River, Port Macquarie and even close to Newcastle, along the lines of the permission given at Port Phillip and Western Port. Any surrender of privileged rights must prove destructive to the interests of the colliery unless the Government, in turn, removed some of the obligations imposed upon the corporation.  

Doubts about the precise terms of the A.A. Company's coal privileges persisted while Gipps awaited a firm ruling from the Colonial Office. When King informed Gipps that coal was already being worked at Moreton Bay he simultaneously renewed his request for an indication of the limit of monopoly coal rights between Newcastle and Moreton Bay. Gipps declined to reply.  

The issue was then complicated by Lord Stanley's decision, received in early August 1844, to allow the Navigation Company to mine coal, but only within the geographical limits of Moreton Bay. Prior to the receipt of Stanley's decision Gipps maintained that he, as Governor, could permit persons to work coal upon Crown land in any location. If, instead of confining the permission to Moreton Bay, Stanley had confirmed Gipps' measure it would have been possible for mines to be operated on the Company's Newcastle boundary. As a result of Stanley's decision, Gipps informed King that he now considered Moreton Bay freed from any effect of the monopoly. On the other hand, the Governor did not consider he was allowed to give any licence to parties to work coal upon Crown land, as he had proposed, without any reference to the Secretary of State. Deas Thomson stated in the Legislative Council that, in future, deeds of land sold at Moreton Bay would contain no reservation of minerals.

7 King to Court, 7 November 1843, 78/1/17, p.585.
8 King to Court, 25 March 1844, ibid., p.759; King to Court, 11 April 1844, ibid., p.804; King to Court, 24 May 1844, ibid., pp.831, 856.
King was, understandably, pleased to learn that the permission extended only to coals exported from between the heads of the bay. The Clarence River settlements between Moreton Bay and Port Macquarie were not included. 9

Thus, by the end of 1844, two formal challenges to the Company's 1828 privileges had resulted in concessions being granted for groups to mine coal at Western Port and Moreton Bay. But during the five years from 1839 to 1844 other challenges were being issued on a less formal basis.

As settlement developed north of the Hawkesbury during the 1820's and 1830's the towns of Morpeth, East Maitland and West Maitland assumed an ever increasing importance both as focus points for lines of communication by land and water and as depots for the squatting districts extending beyond the Liverpool Ranges west to the Darling River and north to the Darling Downs. The three town nucleus at the end of navigable water on the Hunter River quickly became the most important urban centre outside the County of Cumberland. By the end of the decade of the thirties, the main towns on the eastern seaboard were thriving centres. Sydney's population had increased from 16,000 in 1833 to 35,000 in 1841. It boasted a growing number of small industries such as iron and brass foundries, ship building which included steamers for local coastal trade north to Moreton Bay and south to Van Diemens Land, soap works and breweries. The first gas works opened in 1841. There were seventeen flour mills in Sydney in 1840. 10

In all of these industries coal was an important source of energy. The A.A. Company, as the sole legal supplier of coal, played an increasing role. The permission given by the Colonial Office to Swanston and Gray applied strictly to confined regions and did not affect the supply of coal to the County of Cumberland

9 King to Court, 26 December 1844, ibid., pp.1135-39; Stanley to Gipps, 15 March 1844, A.O.N.S.W., 2/2304.

or to Van Diemens Land.

The surge in demand for coal was reflected in the Company's coal sale figures. During 1832, the first full year of operations, the Company sold 6,240 tons. By 1835, 12,392 tons were being sold. The figures for 1838 and 1839 were, respectively, 17,220 and 21,283 tons. During the period May to August 1838 an average of 1,742 tons per month was sold. It was expected the average for the same period in 1839 would be 2000 tons - a figure not quite attained. Shortage of labour prevented the Company raising more than 1600 tons per month from its pits. The public was totally dependent upon the efficient state of the colliery for fuel. The slightest delay in delivering coals to the staith could cause an increase in the price of coals to consumers. By May 1839, no delay had occurred because of the supply of coal on "bank".  

This demand for coal soon led to the opening of other mines. During 1839 Captain Westmacott, a former aide to Governor Bourke, opened a mine at Bulli in the Illawarra district to supply coals for his steamship company operating on the south coast. Although this mine did not provide any real competition, the Company, by July, was faced with the situation of supplies falling behind demand for the first time. The shortage of skilled convicts to raise coal was leading King to suggest his plans, discussed previously, to bring out skilled miners from England and Scotland. The first signs of serious difficulties at the colliery were becoming apparent. The decrease in the quantity of coal raised by task-work occurred at a time when there was every prospect of a considerable increase in coal consumption.  

11 King to Col. Sec., 31 May 1839, A.O.N.S.W., 2/2304; Appendix A.  
12 King to Court, 25 May 1839, 78/1/16, pp.161-62; King to Court, 24 July 1839, ibid., p.223; King to Col. Sec., 25 July 1839, A.O.N.S.W., 2/2304; King to Court, 21 August 1839, 78/1/16, p.232; King to Court, 10 September 1839, ibid., pp.242-43.
By late 1841 various attempts were being made to compete with the coal monopoly. The Reverend L.E. Threlkeld, a missionary and Congregational minister, began mining at Lake Macquarie, some miles south of Newcastle. He was selling a small quantity of coal at the lake to ships entering Lake Macquarie through Reids Mistake. At Concord, a short distance west of Sydney and close to the Parramatta River, Robert Dawson, who had returned to New South Wales after his dismissal in 1828, began test drilling operations for the Australian Mining Company formed under the auspices of William Charles Wentworth. To some extent these attempts reflected the deepening economic depression. Coal mining provided a source of income and it is reasonable to suppose that a black market trade in coal existed in competition to the Company's trade. King felt confident that the scarcity of money in the colonies, combined with the heavy capital needed to bring a mine into operation, would hinder serious competition for some time.13

The deepening effects of the depression soon began to affect the colliery in other ways. Sales began to fall. King thought the 1839 dilemma of demand outpacing supply would be reversed. The scarcity of ready money hindered sales at a time when output was rapidly increasing due to the improvement of workings at the colliery. By the end of October some 12,000 tons of coal were banked in Newcastle. This bank would increase by 1000 tons per month. This increase in production would only worsen with the active working of the "B" pit soon to come into operation. Allied with the ever improving development of technical installations at the pits was the formation of a Port Jackson depot at Millers Point opposite the town of Sydney. Increasing output of coal had been planned by King to coincide with better means of sale. The Company would produce coal at Newcastle, contract out its transport to Port Jackson and sell it to the Sydney market from a wharf at Millers Point.14

The formation of the Millers Point depot posed fresh problems

13 King to Court, 11 October 1841, 78/1/17, pp.17-20.
14 King to Court, 25 October 1841, ibid., pp.23-27.
which were destined to assume increasing importance as competition developed against the Company. In particular the depot opened up the old question of the price of coal to both the public and the Government. This price had remained fixed at 10/- per ton to the public and 8/- to the Government until 1841 when the greater use of free labour caused an increase from 10/- to 13/-. The earlier price was agreed upon in 1832 by negotiation between the Court of Directors and the Home Government. This was decidedly a delicate question and one in which King was treading warily. In spite of increases in colliery expenses King did not think it good politics to raise the price at the pit's mouth above 10/- per ton. The price at Millers Point was a different question but King delayed any decision on this question till he could assess the situation.  

The anomaly of the Company being in a strong position to produce more coal, and also better coal, at a time when sales were dropping intensified as the depression worsened during 1842. When King assessed the position in mid-year he was pessimistic for the coming quarter. Quarterly expenditure for all operations on both the pastoral estate and the colliery could be roughly estimated at £5000. Because of the depressed pastoral industry coal sales provided the only certain income for the Company. This would not exceed £1000 per month. This quarterly income of £3000, taken with the December surplus of £2,250 would merely cover total expenditure for the first quarter of 1842 and there would be no profit. The coal sales could not finance all the Company's operations as they were diminishing rapidly and there was no chance that wool sales would meet future expenses. Although coal sales in the early months of the year had been good, especially when the Millers Point wharf came into operation, they were declining sharply by June. Funds were so low that King hesitated to buy town allotments in Newcastle recommended for purchase by the Court. The only way to purchase these allotments would be to sell the two blocks in Watt and Pacific Streets. It was against this background that the increase of competition against the Company was to pose greater difficulties.  

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15 King to Court, 11 October 1841, ibid., pp.14-17.

16 King to Court, 5 November 1841, ibid., pp.33-35; King to Court, 1 September 1842, ibid., p.282.
Threlkeld continued to sell Ebenezer coal at Lake Macquarie. The Concord drilling of the Australian Mining Company continued without marked success. John Eales, a pastoralist and entrepreneur, began to sink a bore on his Berry Park property at Morpeth. He aimed to supply steamers with fuel. Eales' involvement in such an enterprise was understandable. He was a principal shareholder and director of the Hunter River Steam Navigation Company formed at his instigation in 1839. In 1841 Eales had built a dry dock for the Company's steamers at the base of his Morpeth property. The supply of coal to steamers was, then, a logical extension of this interest. It coincided with the formal approach to Gipps by the same Company for permission to mine at Moreton Bay. Under the threat of competition from Eales, as well as from Threlkeld at Lake Macquarie, King recommended a reduction in the price of coal. Such a step was wise politically even if undesirable economically. The Company still depended on coal sales to support the pastoral department. It could scarcely afford such a material loss, but King accepted the political wisdom of William Croasdill, the Superintendent of the Colliery: the high price of 13/- charged had induced many persons to consider opening mines on the old grants given to settlers before 1825. Such grants did not contain a reservation clause about mineral rights. For these reasons King lowered the price to 11/-.

In this tight economic situation it was almost inevitable that labour-management troubles should develop. King was fortunate with his management staff at Newcastle. William Croasdill, James Steele and his son Joseph, and Alexander Brown, the overman, provided a competent and highly efficient management team. While the basic labour force consisted of assigned convicts there was little likelihood of strikes before 1839. The only earlier trouble occurred, as we have seen, not over conditions but over Governor Bourke's interference with the moneyed payment of convicts for extra work. The change from a labour force basically convict to one increasingly free, and especially immigrant, provided the first real strikes on the New South Wales coal fields.

In 1840 a minor strike occurred when most of the colliers struck work over a relatively trivial issue that the Company did not weigh coal as it was mined but assumed that each waggon contained a constant amount. James Birrell, a Scottish collier who had been once promoted to overman, led the strike. Little is known of the number of miners involved, the length of the strike or how the Company reacted. King believed Birrell was aided by miners influenced by Chartist ideas and by others dissatisfied with working conditions. Lack of clear evidence makes it difficult to verify this belief but partial support is given by the occurrence of a second strike in 1843, again led by Birrell. Birrell led the miners out over some mutually beneficial efficiency measures which Alexander Brown, the overman, was introducing to the colliery. In spite of incentives held out to them the miners combined against the Company. King took a firm stand to support Brown in forcing the miners to give way. Once again little is known of the details of this strike. Birrell eventually sued the Company in 1844 for wages withheld as a result of a doubtful foot injury and lost the case. Although the 1840 and 1843 strikes were relatively unimportant, they signify the initial attempts by labour to combine. Their interest lies in their preparing the way for a third strike, in 1846. While this 1846 strike was associated with the legal and political developments after 1845, and is further discussed below, it is important to realise that the strikes of 1840 and 1843 led, ultimately, to the 1850 strike in which the A.A. Company miners struck for, and won, a 6d. increase in the hewing rate of 4s. a ton. All these strikes led, ultimately, to the formation in 1860 of the powerful Coalminers Union of New South Wales, a union which was later to be involved deeply with the Company and other Colliery owners during long and bitter disputes. 18

Between 1842 and 1845 the threat of competition to the Company's monopoly privileges increased. The chief competition came from Lake Macquarie. Trade figures for June revealed sales had fallen prey to the prevailing business stagnation. Even though buyers were economising on coal purchases Threlkeld charged a higher price for his

18 King to Court, 1 September 1842, 78/1/17, pp.254-61; King to Court, 5 August 1843, ibid., pp.487-89; King to Court, 26 September 1840, 78/1/16, pp.549-52; Maitland Mercury, 26 October 1844, p.2; R. Gollan, op.cit., pp.28-34, 71-91.
inferior coal. Threlkeld sold as much as 80 tons per week. He was able to charge this price, King believed, because of support from Dissenters in Sydney. King judged that the degree of feeling towards this missionary and Congregational minister must have been very powerful to persuade householders, in times of economic distress, to pay a higher price for an inferior product. Threlkeld paid 10/- per ton freight for his coal from Lake Macquarie whilst the Company paid less than 7/- for coal to be carried from Newcastle to Millers Point. On the north shore of Lake Macquarie, William Brooks mined coal from an outcrop on his 1280 acre property. Brooks had offered to sell his property to the Company. King decided there would be little point in accepting Brooks' proposal unless the Company obtained the neighbouring land grants of Warner and Rens and also purchased lands assigned to the Aborigines as well as Threlkeld's Ebenezer property.\footnote{King to Court, 5 August 1843, 78/1/17, pp.481-89, and encl. in W. Brooks to King, 25 April 1843, \textit{ibid.}, pp.569-70.}

The mining of coal by Threlkeld, Brooks and a third person preparing to open a mine at Lake Macquarie, was paralleled by the Australian Gas Light Company selling coke and breeze in Sydney. Their combined effect was decisive in forcing King to lower the price of coal at Millers Point to 11/- per ton, a price which became effective on 13 November 1843. It is necessary to be clear on this point: the Lake Macquarie mines of Threlkeld and Brooks were primarily responsible in bringing the price down from 13/- because M.H. Ellis has recently argued that James Brown, prosecuted by the Company in 1845, was "the principal cause of the reduction of the price from 13s. to 7s." Ellis's evidence is taken from the 1847 Select Committee of the Legislative Council's Coal Inquiry Report, a report which needs to be interpreted carefully because of the intense political background to its formation.\footnote{King to Court, 7 November 1843, \textit{ibid.}, pp.574-77; Ellis, \textit{A Saga of Coal}, pp.33, 265; "Report from the Select Committee on the Coal Inquiry", \textit{N.S.W.L.C., V. & P.}, 1847, p.41.}
Newcastle Township and Company Pits and Village
(based on 1851 survey of Newcastle Harbour by
Captain I.L. Stokes, R.N.)
Similarly, it is necessary to refute Ellis's statement that, like most monopolies, the A.A. Company was not inclined to expand or improve its product in a falling-price market with rising labour costs. This was not the case. In 1841 King had opened the "B" pit which provided a superior grade coal to that being offered to the public since 1831. In 1843 construction of the third mine, the "C" pit was being completed. This pit had been sunk to remove coal from between the workings of the "B" pit and the sea. An inclined plane connected with the railway from the "B" pit enabled the waggons from the new pit to descend - as with the "B" pit - from the pit-head to the staith without the application of manual labour. The empty waggons from the staith were drawn back, ten or twelve in a train, by one horse to the foot of the inclined plane. They were then drawn up the inclined plane, in the usual way, by the loaded waggons descending under gravitational pull to the staith. Ellis's further point that the Company was not ready to meet customers as if it was contending with normal competition, and that in this it was merely acting according to the laws of human nature, needs modification. Ellis misses the point that the Company was originally given monopoly privileges to tide it through a period of large capital outlay. The capital was expended on taking over from Government mines which were in a commercially unworkable state and which deprived it of profits for many years. The privileges were a compensation for undertaking commercial obligations, unprofitable to the Government. Ellis's mistake on this is surprising as he recognises the Company's contribution to re-establishing mines on a new site at great cost with modern steam plant and methods, under a skilled and experienced manager. His error probably arose because he misinterpreted the terms under which the Company agreed to relinquish its monopoly privileges. It will be seen subsequently that the voluntary relinquishment of the privileges is tied in with the titles to which the Company wished to possess half of its pastoral lands - a point partially glimpsed by Ellis but not fully appreciated. The reduction of the coal price was forced upon the Company by commercial competition - a normal enough phenomenon - but it was forced at a time when no profit was being made because of competition from other coal sales and when the Company's obligations to the Government hindered normal commercial activities. The continued depression in
the colonial economy as late as March 1844 closely affected sales in the coal department. Sales dropped from 35,140 tons in 1842 to 26,050 tons in 1843 and 23,504 in 1844. A strong tendency by both public and Government to use wood fuel for domestic purposes and in steam mills had led to a considerable falling off in the market. Receipts fell and the Company had to draw larger bills than anticipated from the Bank of Australasia and the Court of Directors. The Commissariat remained the only steady customer during these years.  

Within half a year of reducing the price King faced the uncomfortable fact that the combined effect of diminishing rates of consumption and continuing competition from Lake Macquarie would inevitably compel him to lower the price again. The Company was scarcely in a commercially exploitative situation: the sales of coal were insufficient to maintain the corporation let alone make any profit for shareholders. There was still no remedy but to look to wool. This was no longer a clear solution as no pastoral establishment in the colony regarded wool production as a source of profit.  

Subsequent examination of the pastoral estate will establish that as late as June 1844 the Company's pastoral operations were caught fast in the grip of the colony's depressed economic conditions.

During 1844 two coal mines were opened at Maitland. The combined effect of competition from areas north and south of Newcastle compelled King to acknowledge that, in practice, the Company had lost its monopoly on coal mining. By late 1844 the competition from these two regions, and Colonial Office approval for mines at Western Port and Moreton bays, had virtually negated any monopoly. At the same time, the Company was still held to its restrictive

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21 Ellis, A Saga of Coal, pp.38-39; King to Court, 25 October 1841, 78/1/17, pp.23-27; King to Court, 26 December 1842, ibid., pp.321-26; King to Court, 26 January 1843, ibid., pp.370-73; King to Court, 20 December 1843, ibid., pp.604-608; Appendix A.

22 King to Court, 18 July 1844, 78/1/17, pp.897-903, 910-11.
obligations to supply coal to Government. In view of the subsequent legal and political contest it should be realised that as early as 1844 both King and the Government wished to withdraw from their mutual obligations. A Select Committee of the Legislative Council, in its Land Grievance Report, recommended the monopoly be bought up. King advised the Court to accept any equitable terms offered. The time was fast approaching when the mines would be of little value. The more independent the Company could be with the coal grant the better. If colonial affairs improved, Newcastle land sales might provide a valuable source of revenue and for this reason the tenure of the estate should be divested of all stipulations capable of retarding or preventing the sale of the surface area. This applied especially to the condition requiring the Company to supply Government with all coal it required at cost price.  

King puzzled over the Company's dilemma. He was still held to restrictive obligations while competitors openly defied its concomitant privileges. Either the Company must be freed of its obligations or the privileges must be asserted. He was caught in a situation where only the Colonial Office could release him from the obligations while the delay involved in obtaining this decision allowed an ever increasing number of competitors to defy the monopoly privileges. He faced the position of competition forcing the Company to sell coal at so low a price that profits would be negligible. Some of his competitors were not so hesitant in exploiting the public. At a time when the Company sold coal for 11/- the trustees of Threlkeld's Estate, following his recent insolvency, were selling coal in Sydney at 24/- per ton. In spite of previous undertakings the Commissariat began to purchase coal from William Brooks' Lochend mine at the north end of Lake Macquarie. Near Maitland, Edward Turner had opened a mine from which he supplied coal to the town. He had also begun sales at Morpeth to the Navigation Company. Influenced by these examples, two other mines were being opened by John Eales (who had abandoned his earlier mine) and James Brown.  

23 King to Court, 25 October 1844, ibid., pp.999-1001.  
24 Ibid., pp.1001-1003.
In spite of his realistic assessment of the political situation King opted for the only real choice open to him: he officially complained of the mines opened upon land grants at Maitland by Turner and Brown. King considered these mines operated in direct contravention of the terms contained in paragraph 6 of the letter from the Colonial Office of 31 July 1828. The decision, earlier in 1844, to allow the Hunter River Steam Navigation Company to mine at Moreton Bay, seemed, however, to throw the question into confusion. King wished both to resolve the matter and prevent the Maitland mines from operating.  

It was important, King judged, to block the Maitland group. The low cost Maitland mines had already forced the closure of the Lake Macquarie workings which were too expensive in operation to compete with the Maitland mines. Within a short time James Brown became the main competitor from Maitland. From a mine on Four Mile Creek, just south of East Maitland, Brown supplied coal to the Navigation Company. King reasoned that if it could be proved that Brown's actions were illegal, it should be possible to block the further opening of mines on the many land grants in the Maitland area given prior to the Company's involvement in coal mining. Once Maitland was blocked King hoped the Company could enjoy its former privileged position till freed of its restrictive obligations. This confidence arose from other causes: as the Company's knowledge of the stratigraphy of the Newcastle basin developed King became less concerned with competition from Lake Macquarie. The seam currently being worked in the "A" pit indicated that the coal deposits decreased in quantity between Newcastle and the lake to the southwards. Towards the northeast end of the shaft the seam increased.

25 King to Col. Sec., 16 November 1844, A.O.N.S.W., 2/2304.

26 King to Court, 26 December 1844, 78/1/17, pp.1140-48. Even as late as December 1844 there existed considerable doubt on the question of the reservations on coal in land grant titles. On 16 December 1844, King requested a clarification. The Colonial Secretary had earlier ruled that a grant near Maitland, dated 16 May 1829, was released from the reservation clause. The Colonial Office agreement with the Company was dated 6 August 1828. See King to Col. Sec., 16 December 1844, ibid., pp.1170-71.
in thickness about 3 inches. At the south-west end it decreased to the same extent. This character militated against the mines at Lake Macquarie. It favoured the region below Platt's Estate which belonged to the Company. As soon as labour could be spared from the colliery King intended to sink a bore at Platt's Farm to test this supposition. 27

In the meantime King concentrated his attention on stopping Brown. In spite of King's official complaints, the Hunter River Steam Navigation Company continued to procure coal from Brown. Various elements contributed to the delay: the slowness of the Crown Solicitor, the practical difficulty of detecting the offending parties, the problem of ascertaining whether or not the title-deeds of the land being worked contained the reservation clause, and the slow movements of those empowered to stop the works. King strongly advised the Court to give up the coal monopoly upon the most favourable terms. Even though the Company in 1844 sold 2,546 tons less than in 1843 the general consumption of coals in the colony during 1844 had increased. The cost of coal had been reduced to 10/- and then to 9/- per ton. It still could not compete with Maitland coal sold at Hexham for 5/1ld. 28

On 11 January 1845 the Colonial Secretary's office had obtained a clarification of the legal position. The letter of Alexander McLeay to Parry dated 25 June 1830 was considered as the date from which the 31 year monopoly of coal mining commenced. Under these circumstances, land at Maitland promised to Thomas Mitchell on 16 May 1829 was not subject to the clause reserving to the Government the coal found thereon. The Civil Crown Solicitor had, however, been instructed to proceed against parties working coal on Mrs Mitchell's grant of 320 acres. By 22 January the situation had become confused enough to warrant Thomas Mitchell sending a surveyor to Maitland to examine the land. 29

27 King to Court, 9 January 1844, ibid., pp.695-97.

28 King to Court, 16 January 1845, 78/1/18, pp.2-5; King to Col. Sec., 13 January 1845, A.O.N.S.W., 2/2304.

29 Col. Sec. to King, 11 January 1845, encl. in King to Court, 16 January 1845, 78/1/18, pp.9-17.
As correspondence with the Colonial Secretary on the working of mines at East Maitland had not achieved any action by 20 February, King travelled to Sydney and requested an interview with Governor Gipps. By 12 March there had been little real headway. G.B. White, the district surveyor, was making enquiries at East Maitland, while the inhabitants of Maitland intended to raise a subscription to defend the case in support of any parties who might be prosecuted. To King the whole matter resolved itself into a very plain argument: the Government had granted certain lands to certain individuals upon the express condition that all minerals, including coal, were reserved as the property of the Crown. It was, therefore, only in the power of the representative of the Crown to restrain parties from working coal upon these grants. As Commissioner it was not King's duty to dictate to the Government the course to be taken to preserve rights granted by the Crown through the Colonial Office. King's duty was necessarily confined to pointing out the existence of the grievance. This entailed that the Government, to redeem its pledge to protect the Company's privileges in working the coal mines at Newcastle, would take appropriate action to redress the situation. The Government should also defray all expenses. In this matter the corporation had no locus standi in the Court beyond any evidence it might be called upon to give.  

While awaiting the outcome of this issue, King busied himself with the more practical side of the coal establishment. The officers at the colliery had voluntarily agreed, probably after suggestions from King, to a reduction of their salaries to reduce expenditure. With this offer by Croasdill, Steele, Brown and Graham, a reduction of the salary given to the marker, and saving on various other expenses, costs at the colliery were reduced by £335 per annum. This enabled King to reduce the price of coal at the staith to 8/- per ton. This alteration commenced on 1 March. The implications of this reduction were important for the coal-trade. The traders considered that two trips could be made by the steamers.

30 King to Court, 12 March 1845, ibid., pp.44-50. See also enclosures, ibid., pp.76-100, 114-17.
between Newcastle and Sydney for each trip between Sydney and Morpeth or Hexham where Brown and Turner delivered their coals. This meant the Company's reduced price was, in effect, equal to that charged by Brown and Turner once the added freight charges were included.\(^{31}\) The effects of combined commercial and legal action were soon felt. At the end of March King informed the Colonial Secretary that Edward Turner had ceased working his mine as commanded by Governor Gipps. The Crown Solicitor was taking steps against James Brown who continued to work a mine at Four Mile Creek.\(^ {32}\)

By the end of April King again complained of delay by the Crown Solicitor in the prosecution against James Brown. The Solicitor, he noted, was also a director of the Hunter River Steam Navigation Company and he feared political considerations were intruding into legal processes. King's proposal to procure an injunction to stop the works was over-ruled for reasons which King could not discover. The Commissioner still thought the legal situation could be reduced to a simple proposition: certain land had been granted to an individual upon certain conditions and reservations. One of these terms was that coal was the property of the Government. If a grantee appropriated coal to his own use only two conclusions could be drawn: either the grantee had committed a breach of the conditions and forfeited his land or else he should be prosecuted for a robbery upon the Government. The person was responsible only to the Government.\(^ {33}\) King felt keenly the delicacy of his legal status on this question but, at the same time, was adamant that the Company's position be protected.

By June no progress had been made. Governor Gipps had decided the question of fees was a decision for Her Majesty's Government.\(^ {34}\)

\(^{31}\) Ibid., pp.52-55.

\(^{32}\) King to Col. Sec., 31 March 1845, A.O.N.S.W., 2/2304.

\(^{33}\) King to Col. Sec., 24 April 1845, ibid.; King to Court, 25 April 1845, 78/1/18, pp.154-57 and encl. pp.151-68. See also King to J. Norton, ibid., pp.281-82.

\(^{34}\) King to Col. Sec., 5 June 1845, A.O.N.S.W., 2/2304; Deas Thompson to King, 11 June 1845, 78/1/18, pp.295-96.
Under the stimulus of a decreased coal price the trade had partially revived as colonial mills ceased to burn wood fuel. This increase in coal sales was due to the labour shortage, the dearer cost of keeping horses and the lesser use of Morpeth coals. The recent discovery that Maitland-Morpeth coals were subject to heat when stored in a mass, and thus liable to spontaneous combustion, was a factor lessening competition from that region. Maitland coal also damaged boilers and proved less useful in blacksmiths' forges where it burnt the iron. 35

By the end of July King reported that the Crown had commenced prosecution of parties engaged in working coals. Like most legal proceedings it was moving slowly and James Brown was defending the case. In the meantime, he and other persons were working mines and selling coals without interruption as they had done for the previous nine months. King now believed the Governor was doing all in his power to protect the Company. The Navigation Company still continued to use Maitland coal except for those vessels employed in the trade to Hobart Town and Moreton Bay. 36

At length, on Saturday 23 August 1845 Justice Dickinson convened a nisi prius sitting of the Supreme Court of New South Wales. The case: Attorney-General v. Brown. John Hubert Plunkett, Attorney-General, filed a charge of intrusion against James Brown. Brown, it was alleged, had invaded and intruded upon mines and veins of coal in the possession of the Crown. These deposits were under a 60 acre piece of land in the parish of Maitland and county of Northumberland. James Brown, defendant, pleaded he did not enter and ingress in the manner and form charged by the prosecution. J.H. Plunkett, Attorney-General, George Cooper Turner, Solicitor-General, and Edward Broadhurst appeared for the Crown. Richard Windeyer and Robert Lowe appeared for the defence. The case was heard before Justice Dickinson and a jury of four.

36 Ibid., pp.236-41.
After Edward Broadhurst opened proceedings the Attorney-General briefly addressed the court and jury on the nature of the charge of intrusion. Plunkett reminded the jury that in all colonial grants issued subsequent to a certain date the right of the Queen to all coal mines was specifically reserved along with the regalian rights to the precious metals of gold and silver. The Attorney-General would merely prove trespass had been committed by Brown on the land at Maitland and that large quantities of coal had been sold by the defendant. 37

The Attorney-General called various witnesses to support his case. These included G.B. White, Government Surveyor; Mr Kingsmill, sheriff's bailiff for the district of Maitland; Captain William Dumaresq, agent for his nephew Arthur Charles FitzRoy Dumaresq, the owner of the land at Four Mile Creek. Other witnesses were two gentlemen connected with the Hunter River Steam Navigation Company; Joseph Macpherson, from the Colonial Secretary's Office; a Mr Baker; Thomas Oldfield, a coal miner; and a man named Bartley who had conveyed coal from the pits to Morpeth.

Richard Windeyer, for the defendant, drew upon an impressive array of legal and historical erudition. Windeyer argued in support of the political view that colonial lands should be in the hands of the colonists, not in the grant of the Crown. Windeyer attempted to take the case outside the limits of the charge of intrusion set by Plunkett. He argued, among other things, that a statute had been passed during the reign of James I aiming to prevent monopolies such as operated currently in the working of coals in New South Wales. This statute expressly declared and enacted that no future warrant or proceeding with a tendency to support and carry out a monopoly should be legal.

The Attorney-General, in reply, brought the argument back to the limits of the charge of intrusion. Plunkett contended that although Windeyer's arguments might be relevant in addressing a

legislative body as to reservations policy, such as pertained to coal mines in New South Wales, the jury had simply to decide whether James Brown had committed intrusion. Judge Dickinson, in directing the jury, reminded them the issue was simply whether there had been an intrusion upon the property of Her Majesty. The jury retired for about half an hour. It found a verdict for the plaintiff, with nominal charges of one shilling. 38

King's earlier assessment that the political situation did not favour the monopoly had, clearly, been verified by Windeyer's arguments for the defence and by the nominal charges. King's views were more than confirmed a few days later. On 5 September William Charles Wentworth returned to his role of devil's advocate apropos the place of the Company in colonial New South Wales. Wentworth moved a motion in the Legislative Council requesting Gipps to lay on the table of the house copies of all correspondence and instructions relating to the writ of intrusion recently brought by the Attorney-General against James Brown. 39 The affairs of William Charles Wentworth, the native son, had changed since those days of the late eighteen twenties: King believed that Wentworth had taken up the coal monopoly issue to restore his declining popularity. 40 The motion was answered in the negative by a message from Governor Gipps to the Legislative Council on 12 September. 41

Even without the strong interest shown by Wentworth, King judged that it would be politically wise for the Company to pass up

38 S.M.H., 25 August 1845, p.2; King to Court, 23 August 1845, 78/1/18, pp.315-16; King to Col. Sec., 25 August 1845, A.O.N.S.W., 2/2304. See also King's notes on S.M.H. report, 78/1/18, pp.355-58.
39 No. 45/16 on Mr Wentworth's motion, 5 September 1845, A.O.N.S.W., 4/2676.2.
40 King to Court, 18 September 1845, 78/1/18, p.324.
41 No. 45/16 on Mr Wentworth's motion, 5 September 1845, A.O.N.S.W., 4/2676.2; N.S.W.L.C., V. & P., 1845, pp.379, 437-42. See also Colliery Memoranda, 1/16/3.
the monopoly but it should receive some compensation for the loss sustained. Under the enterprising, if ruthless, competition currently being given by Henry Rawes Whittell, a coal trader who had taken over the Ebenezer mine, the Company would need to reduce its prices still lower. Although on the mere question of law and right there could be no doubt the Crown could prevent coal being worked, the legal processes for obtaining verdicts were slow and protracted. King instanced the case of James Brown who had sold about 2000 tons of coal and yet been charged a nominal verdict of one shilling. In addition, Brown’s expenses had been paid by a subscription raised in Maitland.

King had heard sufficient evidence during the trial to convince him the tide was running against the Company. Quibbling over the evidence supplied by G.B. White regarding the disputed grant had been paralleled by Judge Dickinson’s obvious detestation of all monopolies or any measures tending effectively to legalise a monopoly. These factors convinced King that in future a jury would decide on the popular side if there were any loophole in the case. Parker King could not see any possible advantages in pressing the right to maintain the 1829 privileges. This was especially the case when he realised other mines could and would be worked without hindrance.

King knew it was better to rely on efficient production and a wider coal market. He was certain the Company could hold its own in a competitive market and there were some indications of a widening market. The coal trade in the South West Pacific Ocean showed signs of upsurge. Moves had been made for a steamboat post

42 King to Court, 18 September 1845, 78/1/18, p.324.
43 Hyndes to Croasdill, 4 September 1845, encl. in King to Court, 18 September 1845, ibid., pp.365-68.
44 King to Court, 18 September 1845, ibid., pp.320-22.
from Sydney to Singapore each month. Recent visits by a vessel to load coal for the French Squadron at Tahiti and a growing trade throughout the Pacific region would all add to the growth of a coal trade. If the Company lowered the price of coal still further, the trade would expand. Almost every day new aspects of the question presented themselves. It was clear to King that the price must be again reduced. By mid-1845 the position of the Company had altered materially from the days when the mines were served by convict labour and the trade operated without competition. The privileges availed but little.\textsuperscript{46}

By October, however, the Company's coal-trade had plummeted to an unexpected nadir: coal sales during September had been meagre. Sydney coal-traders, such as Thomas Hyndes who sold Newcastle coals, were unable to sell as low as the Ebenezer and Lochend coals from Lake Macquarie. For this reason the coal-traders had cut their orders. King believed that it would be necessary to lower the staith price to 7/- per ton. There was, by this time, nearly 4000 tons on bank at Newcastle, so it would be necessary to restrict the hired getters in their labour. Parker King also intended to give up the Company's retailing of coal at Millers Point wharf at the end of December. Engagements with hired miners alone prevented Parker King from strongly recommending to the Court to surrender the colliery. It would be impossible to compete successfully with mines that would be opened on all sides.\textsuperscript{47}

Already the patterns of future developments were emerging. On the south side of the Company's Newcastle grant, in the Vale of Burwood, was Dr James Mitchell's 950 acre grant leased by the Donaldson brothers, who had found a surface seam of good coal which they were evidently intending to work. At present, they were digging a seam on the Burwood Range. Croasdill thought this coal could be "got" for one shilling per ton and a rail-road from the Burwood Range

\textsuperscript{46} Ibid., pp.325-33.

\textsuperscript{47} Ibid., pp.417-20.
to the south bank of the Hunter would facilitate the carrying of coal to the port. Even though Mitchell’s grant carried the reservation clause about coal Parker King did not think Government legal action would have a deterrent effect, as had been evidenced by the case against James Brown. On the other hand, Wentworth’s political lobbying and debate in the Legislative Council had borne little fruit. Correspondence relating to the Company’s agreement with the Colonial Office had been laid upon the table of the Council but amounted to little or nothing. Wentworth’s other motion for the tabling of all correspondence relative to the trial Attorney-General v. Brown had been refused.

At the colliery and in the coal-trade generally the situation was gloomy. On 15 October King lowered the price of coal to 7/- per ton. This resulted in an immediate increase of sales. However, the reaction of Thomas Hyndes and other coal-traders signified disappointment. They would have preferred the price lowered to 6/- to ruin R.H. Whittell. Whittell’s business methods with Lake Macquarie coal from Ebenezer and inferior coals from Newcastle proved he was doing all in his power to ruin the Company’s trade.

By this stage a coal bill regulating the sale of coals in Sydney had passed through the Legislative Council. King was doubtful whether it would have a marked effect upon sales because the Legislative Council had been prorogued and no further notice taken of the monopoly. King did not doubt that after a decision on the appeal against the decision in the trial Attorney-General v. Brown more would be said upon the subject in the Council. Richard Windeyer, member for county Durham, and William Charles Wentworth, member for Sydney, would continue the debate. The motion for a new trial

48 King to Court, 19 November 1845, ibid., pp.468-76.
49 King to Court, 7 October 1845, ibid., p.421; N.S.W.L.C., V. & P., 1845, pp.437-42.
50 King to Court, 19 November 1845, 78/1/18, pp.456-66.
51 This Coal Bill, introduced by Robert Lowe on 22 August, was passed on 16 September and received the Governor’s assent on 27 October. See Summary of Proceedings on Bills introduced during the Session of 1845, N.S.W.L.C., V. & P., 1845; King to Court, 19 November 1845, 78/1/18, p.466.
against James Brown had been deferred until the next law term. In the interim, Brown continued to work and sell coal to the daily injury of the Company. King did not seem to have considered taking out an injunction against Brown and one can only speculate that he considered such action would be futile.

The combined effect of Brown's case, the increasing competition and drastically reduced sales provoked unrest amongst the miners. Many of the people opening mines at Lake Macquarie and Maitland between 1842 and 1845 had tried to entice to their employment the Company's skilled miners. The miners, held at Newcastle by the terms of their indenture, felt restricted in their movements and often rebelled against the management. Delation of their behaviour to a magistrate usually quietened the discontent but caused King to consider that mining by convict labour, rather than hired free labour, had resulted in greater and more efficient production. As sales declined during 1845 this unrest worsened. The miners attempted, by various stratagems, to injure the Company and cause annoyance. The only factor preventing a strike by the Newcastle and immigrant Scots miners was lack of a common grievance.

The general unrest, however, resulted in legal action. Some miners were dissatisfied with having too little work while others did all in their power to avoid it. Eventually King called the colliers together and listened to their grievances. He succeeded in quietening them all except for Andrew Tulip who brought an action against King, as Company representative, for not allowing him to raise as much coal as he chose. When the case Tulip v King came before the Supreme Court in February 1846 Tulip's attorney argued that Tulip had left England in 1841 under an agreement with the Company. In return for carrying coal he was paid at a certain wage after deductions had been made for rations. Mr Michie, argued that the Company, in return, was bound to provide the plaintiff with a...

52 Ibid., pp.466-67.
53 King to Court, 5 August 1843, 78/1/17, pp.487-89; King to Court, 19 November 1845, 78/1/18, pp.467-76.
reasonable quantity of work. Mr Darvall, for King, brought in a
demurrer on the suit. In reply to Tulip's declaration King demurred
on the general ground that it showed no cause of action. This demurrer
was argued before Justices J. Dickinson and C.J. Stephen who reserved
judgement. In April, after checking all authorities cited by Mr
Michie, these two judges, with the concurrence of Justice J. Therry
gave judgement for the defendant. Pressure of business delayed a
written statement of the judgement till November. The loss by
Tulip of the action brought against the Company angered the colliers
who seized every trifling opportunity to stop work and magnify every
small hindrance into a serious impediment. Alexander Brown, the
overman, adroitly managed the delicate situation. This saved the
public much inconvenience and prevented the Company from suffering
a heavy loss. This third confrontation between labour and manage-
ment is sufficient to verify the case argued by both Robin Gollan
and Edgar Ross that an emergent type of trade unionism existed in
Newcastle during the 1840's. The three strikes of 1840, 1843 and
1846 add substance to Gollan's judgement that by 1850 there was some
kind of organisation among the miners. It also clarifies Ross's
conclusion that recognisable unions of craftsmen were functioning
in Newcastle in the 1840's and unionism appeared in the coal industry
at least by the 1850's. Unfortunately, they do not help to establish
with certainty whether this emergent union activity grew out of the
friendly societies such as the Oddfellows, Druids and Foresters
which existed in Newcastle from the mid-1830's.

By mid 1845 the Court of Directors was involved in negotiations
with the Colonial Office over the titles to its pastoral lands. As
part of this negotiation the Court had argued for the removal of the

54 Ibid., pp.467-76; King to Court, 2 March 1846, ibid., pp.568-72;
King to Engstrom, 22 April 1846, postscript dated 30 April 1846,
ibid., pp.648-49; S.M.H., 7 February 1846, p.2; ibid., 24 April 1846,
p.2; ibid., 16 November 1846, p.2; ibid., 28 November 1846, p.2;
J.D. Legge, A Selection of Supreme Court Cases in New South Wales from
55 King to Court, 22 June 1846, 78/1/18, pp.664-65.

prohibition of alienation not only of the pastoral lands but also of
the coal grant land at Newcastle. Eventually, as seen previously,
in 1847 Earl Grey had agreed to extend the dispensation of all
conditions and restrictions to the coal grant lands. The Company
was released from any engagement to the Crown respecting the coal
mines. At the same time, the Government was released from any
stipulation still binding in consequence of the 1828 agreement with
the Company. The 1828 agreement giving the Company monopoly privi-
leges came to an end in 1847 as a consequence of the removal of the
alienation prohibition on the second 500,000 acres of the pastoral
grant and the extension of this concession to the coal land. By
the time Grey sent this news to Governor FitzRoy colonial events
had assumed a rather different complexion. 57

As noted already, while awaiting the outcome of his appeal
against the Supreme Court judgement of 1845, James Brown continued
to work his mine at Four Mile Creek. Sheltered by the talk of moves
for a new trial Brown was able to capitalise on the tardy processes
of the law and King's failure to seek an injunction or restraint.
After inexplicable delay his case for an appeal was deferred two
terms and then partly heard on the penultimate day of the Banco
sittings in 1846. Although Crown Counsel would have very briefly
replied, Defence Counsel used very lengthy arguments and delayed
the case. This reflected a growing political interest in the issue.
An early adjournment of the Court interrupted the argument which was
not heard again till the commencement of the law term on 20 July.
Robert Lowe and Richard Windeyer presented a long list of arguments
for the defence over a three days period. Judges C.J. Stephen,
J. Dickinson and J. Therry reserved judgement till 10 February 1847
when they gave a unanimous opinion in favour of the Crown on all
points raised by the defendant. A new trial was refused. King
immediately wrote to Deas Thomson recapitulating the development of

57 Stephen to Court, 16 September 1845, Ferguson 6315, p.23; Court
to Stanley, 17 October 1845, ibid., pp.24-26; Brownrigg to Earl
Grey, 4 November 1846, 1/19/5; Court to Earl Grey, 4 November 1846,
Ferguson 6315, pp.27-32; Grey to FitzRoy, 13 April 1847, ibid.,
the action since November 1844. King requested appropriate action. In early April a writ of execution was lodged in the Sheriff's Office enabling the Bailiff to take possession of the mine at Four Mile Creek. Brown was evicted. 58

It has been necessary to depict this development in some detail as considerable misunderstanding exists on what happened. Robin Gollan, for example, states that "Although when challenged in the courts in 1845 the company's monopoly was upheld, it took no further steps to enforce it against others who had begun to mine coal." The Company certainly did take further action after 1845. It obtained the legal eviction of Brown from his mine. He is correct when he says that "Public opinion was strongly against the company and in 1847 it agreed to surrender its claim to a monopoly" but this was a consequence of the negotiations over the land titles and not directly a result of the case Attorney-General v Brown. In a different way M.H. Ellis has missed the point in saying that "it was not long before the taste of victory turned to ashes in the mouths of the company's directors." At the same time as the original judgement was being given against Brown the Directors in London were negotiating for the removal of restrictions on their coal lands and the allied relinquishment of their monopoly privileges. Ellis also wrongly states that the Company received its first deeds in 1843. These were not received till 1847. Edgar Ross comes closest to events when he says Brown's "position was tested legally and the Crown's objections were upheld but, in the event, the A.A. Company's monopoly, originally granted for 31 years, could not be sustained and it voluntarily surrendered its position." 59

58 King to Engstrom, 22 April 1846, 78/1/18, p.648; King to Engstrom, 15 May 1846, ibid., pp.650-51; G.C. Turner to Col. Sec., 7 July 1846, A.O.N.S.W., 2/2304; King to Court, 15 July 1846, 78/1/18, p.727; S.M.H., 22 July 1846, pp.2-3; Ebsworth to Engstrom, 15 February 1847, ibid., p.867. For a clear exposition of this important judgement, see Legge, A Selection of Supreme Court Cases in New South Wales, vol.1, pp.312-25. See also Milrrrpm and others v. Nabacco Pty Limited and the Commonwealth of Australia, in the Supreme Court of The Northern Territory of Australia, No. 341 of 1968, p.181; King to Col. Sec., 23 March 1847, A.O.N.S.W., 2/2304; G.C. Turner to Col. Sec., 13 April 1847, ibid.; King to Court, 24 September 1847, 78/1/18, p.991

This confusion has understandably arisen because legal and political issues ran parallel to one another between 1845 and 1847 but it was not till 1847 that the political assumed real importance. By that time the issue of the coal monopoly had been decided by a mutual agreement between the Court of Directors and the Colonial Office in London. The delay in getting this decision from London to Sydney and the date of its arrival in Sydney have been primarily responsible for the misunderstanding.

When Robin Gollan states that public opinion was strongly against the monopoly he is reflecting the political moves which culminated in the appointment of a Select Committee in 1847 to inquire into the coal trade. The origins of this committee should be sought in the growing consciousness of the citizens of the Lower Hunter Valley of the commercial importance of the three Maitland towns. The traditional Newcastle-Maitland antithesis had already begun. While East Maitland, West Maitland and Morpeth might vie with each other for business they were united as one in supporting their interests against Newcastle which for most purposes was, by this stage, identified with the Australian Agricultural Company. It is not too fanciful to see here an emergent Australian-English antithesis. This social awareness found expression in political action, when William Grant was elected to the Legislative Council for the seat of Northumberland borough which comprised Newcastle, West Maitland and East Maitland. This seat represented a district, distinct socially and politically from the Upper Hunter Valley, a pastoral and agricultural region represented by Henry Dangar, who held the seat of Northumberland county. On 22 May 1846 Grant gave notice in the Council that he would move a motion on 8 June. This motion was strongly worded. It read as follows:

"That the monopoly of coal so long enjoyed by the Australian Agricultural Company is highly prejudicial to the interests of the Colony and is distinctly opposed to all the recognised principles of good government and political science. That as now, owing to

60 King to Court, 29 May 1846, 78/l/18, pp.655-56; King to Court, 19 September 1846, ibid., p.765.
various circumstances this monopoly has almost ceased to be profitable, even to the Company themselves, a Select Committee be appointed to take the subject into consideration and that they be directed to ascertain as far as possible the present profits of the Company from this source the profitable rate of the rapidly descending scale of the same with a view to the proposal upon equitable terms for the surrender of the obnoxious privilege, during the unexpired term of the Company's charter."

The feeling which Parker King had gauged some two years previously was being borne out by the tempo of events. The day for the Company to operate coal mines under privileges was coming to an end. There was no mistaking the growing political feeling crystallised in the Legislative Council. Already, some members of the Council had suggested a figure of three or four thousand pounds as a sufficient compensation for the relinquishment of the privileges. King refused to become involved in the colonial politics of the issue. He regarded it as a question to be solved by the Secretary of State and the Court.

Because of the undesirable coking qualities of Maitland coal King did not now regard the opening of mines at any place except Newcastle as a threat. At Newcastle competitors could open mines and operate them at a small expense. Dr James Mitchell's works could deliver coal to the wharfside and on board ship at a cost of 4/- per ton. Competition with Mitchell would involve considerable loss. It was difficult to anticipate results except on general principles: given the fluctuating price of labour no opinion could be formed for the future.

Although William Grant's foreshadowed motion had been due on

62 King to Court, 29 May 1846, 78/1/18, p.656.
63 Ibid., pp.656-57.
8 June business before the Council delayed it. When Governor Gipps prorogued the Legislative Council till 25 August the matter was shelved. Gipps considered that the Government was pledged to fulfilment of the agreement. When the motion came up for debate during October it produced an angry and long discussion. In consequence of the advanced state of the session Deas Thomson, Colonial Secretary, moved the previous question. This was carried. Deas Thomson very clearly stated the Company's position: the Company was compelled by Government to proceed with the colliery even though the Court wished to give up coal operations. Parker King regarded this principle as the stronghold and main argument in claims for remuneration. Hannibal Hawkins Macarthur, King's brother-in-law and member for Parramatta, combined with John Bayley Darvall, nominee member of Council, to defend the interests of the Company. They argued in favour of fair remuneration in compensation for the Company's capital outlay in opening the colliery. At this point, the issue stalemated.64

The refusal of a new trial for James Brown in February 1847 undoubtedly rekindled public opinion as Grant again brought forward his motion for an inquiry into the coal privileges in May. Hannibal Macarthur hoped the debate would culminate in a compromise or in a decision to purchase the exclusive right. Macarthur had discussed the question with Grant. Macarthur was not opposed to Grant's views on free trade but he objected to any slur upon the Company which had been first invited, and then obliged, to take up coal operations. Grant disclaimed any intention to abuse the Company and was not opposed to a fair remuneration for the surrender of the monopoly.65

On Friday, 28 May, Grant moved four motions in the Legislative Council. These motions cast doubt upon the legality of the agreement between the Colonial Office and the Company,66 and claimed the monopoly was a serious check upon colonial progress: it hindered British

64 King to Court, 22 June 1846, ibid., pp.662-63; King to Court, 20 October 1846, ibid., pp.799-801.
65 King to Engstrom, 15 May 1847 and encl. H. Macarthur to King, 9 May 1847, ibid., pp.913-17.
66 Grant referred to the agreement as dated 1826, not 1828. This was probably indicative of general confusion amongst colonists on the background to the agreement.
capital inflow for the development of railways and steam navigation as well as the smelting of ores. In the course of debate Terence Aubrey Murray, member of Council for the combined counties of Murray, King and Georgina, moved an amendment to refer the whole matter to a Select Committee. This committee would inquire into the nature of the agreement, the expediency of taking measures for obtaining from the Company, for public benefit, the privileges conceded by the Colonial Office and the terms of compensation, if any, which should be granted in return. It was resolved by ten votes to six to appoint the Select Committee. A committee comprising T.A. Murray, J.P. Robinson, W. Grant, H. Macarthur, H. Dangar, E.J. Brewster, C. Cowper and the Attorney-General was appointed to operate within the terms of the resolution.

In general, King was pleased with the work of the committee which heard evidence from a variety of businessmen, politicians and geologists between 31 May and 1 July. He not only gave lengthy evidence but remained in Sydney to watch proceedings. In some cases his presence had counteracted evidence which would have materially injured the interests of the Company. King believed the majority of Council members would favour compensation, although the low ebb of the land fund would probably prevent payment. King awaited Council discussion of the Select Committee report. If necessary, he would apply for counsel to be heard at the Bar of the House to disprove gross mis-statements made by some witnesses.

Events had reached this stage of development when Parker King received an important despatch from the Court. The despatch

67 N.S.W.L.C., V. & P., 1847, p.336; King to Engstrom, 15 May 1847, 78/1/18, p.913.

68 N.S.W.L.C., V. & P., 1847, pp.336-37; King to Engstrom, 29 June 1847, 78/1/18, pp.918-19.

69 N.S.W.L.C., V. & P., 1847, pp.335-92; King to Engstrom, 29 June 1847, 78/1/18, pp.918-19; King to Engstrom, 15 July 1847, ibid., p.922.

70 King received the despatch on 31 July.
contained news of the decision reached with Earl Grey on the Newcastle coal lands. The Court had hastened to make King acquainted with these details regarding non-conditional power of alienation and surrender of the coal privileges without waiting for the compilation of the title-deeds. London was anxious to prevent King entering into any arrangement with the colonial government to relinquish the monopoly. A previous despatch had empowered King to do this. Under the terms of the agreement between the Colonial Office and the Company, the monopoly privileges were being surrendered in return for title to the second 500,000 acres of the pastoral grant being fee simple rather than mortmain. This rendered redundant all previous talk of compensation for the surrender. On 6 August King informed the Colonial Secretary of the decision.  

The decision arrived at a time when the Legislative Council was waiting to receive the report of the Select Committee. The strength of feeling by members of the Council on the issue left no doubt that the report would provoke a fiery debate. While the London decision effectively made unnecessary the work of the committee there can be no doubt the hearings had served to bring out the opposition in the Council and to show that the power reality was quite distinct from the legal situation. On 17 August Governor FitzRoy sent the London decision in a message to the Council even though he had not received official notification from the Secretary of State. It was read and referred to the Select Committee. On Thursday, 16 September, T.A. Murray, as chairman, presented the report on the coal inquiry and laid upon the table of the house all evidence taken. FitzRoy's message prevented any further action and the Council merely ordered the report to be printed. The legal situation had caught up with political realities.  

A new era was beginning in the New South Wales coal trade.

71 Court to King, 19 February 1847, 1/19/5; King to Col. Sec., 6 August 1847, A.O.N.S.W., 2/2304.

72 N.S.W.L.C., V. & P., 1847, pp.337-38; King to Court, 16 August 1847, 78/1/18, p.935; King to Court, 31 August 1847, ibid., pp.950-51.
Over the next thirteen years a number of companies was formed to mine coal on a competitive basis with the Company. By 1861 the Newcastle Coal and Copper Company, J. and A. Brown and the Newcastle Wallsend Company were competing with the A.A. Company in extracting the black gold of the Newcastle region. The A.A. Company, however, continued to play a leading role in the development of Newcastle and its coal resources until the second decade of the twentieth century.  

The settlement of this complicated question enabled King to renew the colliery position. Even before the formation of these other companies in the 1850's King knew that the mineral industry was certain to grow. In part this was an indication of a growing interest by British investors in the colony's potential as a source for minerals. This interest was still seminal until the 1851 gold rush but it was growing from 1845 onwards as is evidenced by the Court's intention to send out specimens of different mineral ores so that the Company's shepherds would become better acquainted with minerals and possibly discover deposits in the course of their routine work.  

For the most part, however, the interest came from local entrepreneurs spurred on by the South Australian experience. When depression hit the newest of the Australian colonies in 1840 it encouraged settlers to seek alternative incomes and stimulated interest in the idle copper deposits of South Australia. A silver

73 R. Gollan, op.cit., p.10.

74 Court to King, 18 July 1845, 1/19/5; King to Court, 16 December 1845, 78/1/18, pp.521-22. There can be little doubt that this interest was prompted by the publication in London that same year of P.E. Strzelecki's Physical Description of New South Wales and Van Diemens Land, for which the Polish explorer and scientist received the founder's medal of the Royal Geographical Society. This pioneer work, which laid the basis of Australian palaeontology, had been prepared for publication by Strzelecki during a stay with King at Tahlee House. When the book was published the Court sent a copy to King; it was accompanied by a box of specimens to be used as a guide in testing the mineral potential of the estate. King to Court, 2 March 1846, 78/1/18, p.373; article by H. Heney on P.E. Strzelecki, A.D.B., vol.2, pp.494-95; P.E. Strzelecki, Physical Description of New South Wales and Van Diemens Land, London, 1845, Facsimile edition, Libraries Board of South Australia, 1967.
and lead mine was opened at Glen Osmond close to Adelaide. In 1844
the first copper mine was opened at Kapunda. The following year work
began at the rich Burra Burra mine. In 1846 Mr H.A. Bagot,
proprietor of the Kapunda mine visited Newcastle to persuade the
Company to undertake smelting operations. Bagot would willingly
send copper ores from Kapunda to Newcastle and take back coal as
ballast. As such a decision would involve a further capital outlay
at a time when the Company was seriously thinking of selling the
colliery, the Court of Directors decided against the erection of a
smelter.

In spite of this King took a continued interest in the matter
as the development of a smelter would offer a wider market for coal.
For this reason he favoured a plan to supply coals to Dr James
Mitchell who wished to construct a smelter for melting down ores
from New Zealand and South Australia. Mitchell, a physician,
pastoralist and industrialist, had taken a keen interest in the
Newcastle region. Between 1840 and 1843 he built a tweed factory
at Stockton and invested money in such ventures as the Hunter River
Steam Navigation Company. In 1846, spurred on probably by Bagot's
visit and King's hesitancy in constructing a smelter, Mitchell built
a smelting works on his Burwood estate adjacent to the Company's
southern boundary and containing the present day suburb of
Merewether. In the following year Mitchell appeared before the
Select Committee on the Coal Trade and claimed the Company's monop-
opoly hindered the progress of his smelter by preventing the use of
coal from the Burwood Estate. Being an astute businessman inter-
ested in the area he also claimed the monopoly inflated the price
of coal - a point which we have seen to be open to dispute - and
retarded the growth of Newcastle. In view of the slow growth of
Newcastle prior to the 1860's it can be asserted with some confidence
that the predominance of Maitland and its dependence on pastoralism

75 S. Morrissey, "The Pastoral Economy, 1821-1850", loc. cit., p.98;
published 1963], p.106.

76 H.A. Bagot to King, 1 July 1845, encl. in King to Court, 7 Oc-
tober 1845, 78/1/18, pp.427-29; Court to King, 18 July 1845, 1/19/5;
King to H.A. Bagot, 4 August 1845, 78/1/18, pp.429-30; King to Court,
29 May 1846, ibid., pp.657-58; Court to King, 15 May 1846, 1/19/5.
was probably more of a factor than the Company's presence. As soon as the Company surrendered its coal privileges Mitchell approached King with plans to carry a tram-road from the Burwood Range over the Vale of Burwood and the Company's grant to the water's edge. King examined the proposal but gave it no further attention once Mitchell began to sell coals in competition with the Company. In May 1849 Mitchell erected a wharf and coal shoots on the Newcastle waterfront. In 1851 a special Tram Road Act passed by the Legislative Council, despite the Company's protests, enabled him to run a railway from the Burwood Range through the Company's estate to the waterfront. These developments by Mitchell substantiate the point made by Helen Hughes that by the mid-1840's the exploitation of mineral resources had become a possible source of wealth.  

Further evidence of the growing interest in minerals between 1846 and 1851 is provided by the distinct interest of colonists in copper mining. Strong indications of rich copper ore were found at Hannibal Hawkins Macarthur's property at Arthursleigh on the Wollondilly River, south of Sydney. In the Bathurst region Thomas Icely found rich veins of copper near Carcoar. A copper mine was in operation at Molong by 1848. An entrepreneur named Taylor opened a smelting establishment on the shores of Neutral Bay in Sydney Harbour. Even though this enterprise was abandoned King knew it was only a matter of time before similar operations began in earnest both because of the ever increasing importance of South Australian copper and the growing interest by both British investors and local entrepreneurs in the possible mineral resources of New South Wales. King's belief was confirmed when South Australians began local smelting at Yatala in 1848 and Kooringa in 1849. It was adumbrated

by the opening of the FitzRoy iron furnace at Mittagong in 1848. 78

King took a close interest in all these events. He instructed his son Philip Gidley to examine the Company's estate for copper and other minerals during a topographical survey of the region. He noted that Arthursleigh, Coombing Park (Icely's property near Carcoar) and Molong were situated on one line of bearing and thought it remarkable that if this line were extrapolated it would lead to a point on the north west coast of Cape York where in 1821 he had found an abundance of copper pyrites. 79

King's interest arose both from his scientific training and in his concern for the future of the Company's coal operations. He realised, by 1848, that the Court was renewing its plans for the colliery, as a result of schemes proposed to subdivide its lands and encourage the emigration of small settlers, and prepared the colliery for the new era. Competitive coal mining and a growing interest in mineral ores and smelting would provide a wider market for the Company.

King prepared for the new era by streamlining procedures in the coal department. First of all, he contracted out the Millers Point operations to Frederick Ebsworth from the beginning of 1846. Ebsworth, who had migrated to Australia as a Company employee in 1832 had served in administrative positions with the Company at Carrington and Stroud till the late thirties. After a brief visit to England he began business as a wool broker in Sydney. He agreed to continue the Company's coal agency for Newcastle, Port Stephens and England. Ebsworth also agreed to rent the Millers Point premises till the expiration of the lease in November 1847 and to continue the retail sale of coals. 80

78 King to Court, 3 March 1848, 78/1/19, pp.116-17; S. Morrissey, "The Pastoral Economy, 1821-1850", loc.cit., p.98; H. Hughes, op.cit., p.2.

79 King to Court, 19 February 1848, 78/1/19, pp.21-22; King to Court, 3 March 1848, ibid., p.117.

80 King to Court, 13 January 1846, 78/1/18, p.530; article by G.P. Walsh on F.L. Ebsworth, A.D.B., vol.4, p.127.
In addition, King continued to expand activities at the colliery. By mid-1846 the "A" pit was nearly exhausted of coal. The miners prepared to leave it and to recommence work at the "B" pit, abandoned when the trade slackened. The "C" pit was ready for work when required. King also instructed his overman to search for new seams. Alexander Brown moved his drills to the western end of the grant and at a depth of 148 feet found a seam 9 feet 6 inches thick. Its strata levels were below all other known seams and it appeared to be unconnected with any known seam in the vicinity. Coking and lighting tests indicated its superior quality. The discovery of what M.E. Ellis has described as "the fabulous Borehole seam, ten feet thick of superlative coal,...located...in the region...now covered by the busy Newcastle suburb of Hamilton", guaranteed that the Company would hold its own in the new era. 81

The third area in which King prepared the Company was in the labour field. By early 1847 increasing sales were being matched by inability to maintain stocks on bank. It was doubtful whether the colliery could meet the expected demand of 40,000 tons for the year. Labour shortage was a factor by winter and King stressed to the Court the importance of sending out miners from Britain. This was made all the more urgent as agreements with Scottish, Newcastle and Welsh miners were due to terminate over the next two years. If the Company could not command indentured labour at an agreed price it would be placed at the mercy of the miners who currently earned between £100 and £150 per annum besides allowances - a point which should be kept in mind as the wage of such mechanics as bricklayers, carpenters and stonemasons in Sydney as late as 1850 was still approximately £80. Some of the Company's employees left its service on the termination of their indentures and continued to play a role in the coal industry. Thus, for example, James Graham finished his indenture in 1848 and worked his own seam at Hexham. Alexander Brown, the experienced overman of the A.A. Company's colliery, became associated as manager with the important Newcastle Wallsend

81 King to Court, 22 June 1846, 78/1/18, pp.668-69; King to Engstrom, 9 September 1848, 78/1/19, pp.201-202; M.H. Ellis, A Saga of Coal, p.38.
Coal Company formed in 1858. Other employees stayed with the Company and were supplemented by further miners from Britain during the late 1840's and 1850's.\textsuperscript{82}

In reviewing and assessing the achievement of Phillip Parker King in the Company's coal department it must be concluded that, like his successor Jesse Gregson, he was a hard negotiator. He fought hard, both politically and legally, to protect the Company's coal privileges, because he regarded this as an essential part of the responsibilities entrusted to him. His persistence in protecting these privileges brought him into conflict with Governor Gipps and earned him the intense dislike of Maitland citizens who supported James Brown. If he fought doggedly on the issue, he was flexible enough to realise that the Company would need to surrender its privileges but not before the Colonial Office freed it of irksome obligations to the colonial Government. Like Gregson, King dealt firmly with the colliers when they combined against management. He dealt firmly with the three strikes of 1840, 1843 and 1846 but, at the same time, seems to have held the miners' trust and respect. There can be little doubt that for a man of King's conservative temperament this must have posed difficult choices of judgement. While his whole background and training inclined him to be opposed to the burgeoning development of unionism, King not only observed the due processes of law but showed a willingness to initiate negotiation and listen to grievances. His ability to carry the Company's coal department through a severe economic depression and to guide it through complicated legal and political involvements is evidence of the character of the man. His foresight in planning for future operations guaranteed the success of operations once improved economic conditions returned to the colony. All these achievements indicate King's calibre.\textsuperscript{83} King's successful management of the Company's coal operations was matched by his handling of its pastoral operations which now merit close examination.

\textsuperscript{82} King to Court, 14 April 1847, 78/1/18, pp.887-89; A.G.L. Shaw, The Economic Development of Australia, Melbourne, 1967 [First published 1944], p.69; King to Court, 30 September 1848,78/1/19, pp.206-207, 210-12; King to Court, 21 October 1848, ibid., pp.216-18; M.H. Ellis, A Saga of Coal, pp.52-58.

\textsuperscript{83} Article by R. Gollan on J. Gregson, A.D.B., vol.4, pp.296-97.
CHAPTER 10

THE PASTORALISM OF THE FORTIES

An examination of King's handling of the transition period after the end of transportation and his determined display of skill and political manoeuvre on the coal issue have shown the high calibre of King's management. A study of his work with the Company's important pastoral estates will further test the soundness of this conclusion.

The standard interpretation of the period is that of Jesse Gregson. It has been summarised recently by Sylvia Morrissey: "The company started communications, brought in capital, imported French and Saxon merinos and sold them at stock sales. The company gained 350 convicts for its pioneer work. It was not successful as a pastoral venture, even though it gained some fertile land, and it was the Newcastle coal mining monopoly, combined with steam navigation, which enabled it to make a profit."¹ Previous examination has shown that by the end of Parry's term in 1834 pastoral operations were on a sound footing: there can be no doubt that the flocks were well managed from 1832 to 1839, a fact which will be further verified by a study of gross profits. Analysis of the Company's coal operations has shown that it was able to rely on coal to carry expenditure loads for only a very brief period during the severe depression of 1843-45. Lack of coal sales and developing competition against the monopoly soon threw the Company back almost entirely onto its pastoral department. These two factors of wool and coal sales alone, indicate the importance of a correct understanding of pastoral operations from 1839 to 1849.

G.J. Abbott has recently concluded that the increasing role of wool in the development of the New South Wales economy during the

¹ S. Morrissey, "The Pastoral Economy, 1821-1850", loc. cit., p.70.
1830's and 1840's derived essentially from the recognition of the potential future income from wool exports. "The recognition was the key factor, rather than the income realised from wool exports."2 Echoing S.J. Butlin he concludes that "returns from wool have been exaggerated; they were one source of pastoralists' income and perhaps a minor source, for the evidence suggests that pastoralists' profits depended to an inordinate degree on the sale of sheep."3 In other words "The pastoral industry in the three decades before 1851 appears to have been geared to the supplying of the local market for sheep as much as to supplying the British market with wool."4 A main consequence of this theme is that a pastoralists' wealth was judged more by the number of his sheep than in their superior breeding and excellent constitution. By and large, the quality of the fleece was neglected. During the depressed early 1840's the diminished demand for surplus livestock had decreased the profitability of sheep farming. Most writers on the depression of the 1840's follow S.J. Butlin's suggestion that the slump of 1841-3 "developed from conditions within the wool industry" and from "the apparent exhaustion of opportunities for profitable expansion into new areas after a decade in which its profits and its technique of growth had been reckoned in terms of geographical spread."5 Recently G.J. Abbott has established that 1845 was a good year for pastoralism but there was a marked change in conditions between 1846 and 1847.6 Basically, he follows Brian Fitzpatrick in recognising that the years 1843-51 were "a period of depression and long continued distress".7 We may now test the accuracy of these conclusions against the pastoral experiences of the Australian Agricultural Company during the 1840's.

3 Ibid., pp.201-202.
7 Ibid., p.84; B. Fitzpatrick, *op.cit.*, pp.70-101.
When King assumed control he was satisfied with the success of the sheep department: flocks were increasing in size and improving in quality. He even thought the experimental cross between Saxon and Leicester sheep begun during 1838 showed signs of promise by mid-1839: the cross augured well as the resulting sheep possessed the size, character and figure of the Leicester and promised a marked improvement in the fineness of the wool fibre. There was little else to do in the sheep department except to follow proven practices and improve, where possible, on efficiency. ⁸

This decision left King free to concentrate his attention on what he regarded as the crucial problem, if the co-ordinated use of coastal and inland grants were to be guaranteed. The issues of effective transport and good communications between Stroud-Gloucester and Tamworth-Warrah had to be resolved. The earlier tracks blazed by Ralfe and Telfer were little more than marked tree lines effective enough for driving stock between the coast and interior but useless for the transport of stores. This meant that stores had to be transported by dray through the Hunter Valley - a task made hazardous by the combined effects of the distance of some 200 miles between Newcastle and Tamworth and frequent dry spells in the Upper Hunter. This problem was especially acute during 1839. At the commencement of the season the Company was using ten teams, each with nine bullocks. Eight loads of provisions, stored at Newcastle, awaited conveyance to Tamworth where flour supplies were near to exhaustion, the station being without flour on three occasions. ⁹ This experience led King to initiate a novel scheme to improve transport of stores up country to Tamworth. He negotiated with a merchant to import Chilean mules and muleteers from Valparaiso. Rather than being dependent on the drought prone dray track through the Upper Hunter, King would send mules through Gloucester and through Nowendoc to Tamworth along a steep route little subject to severe drought. By late 1841 the small number of mules that survived

⁸ King to Court, 22 July 1839, 78/1/16, p.211.
⁹ Ibid., pp.200, 206-208; King to Court, 21 August 1839, Ibid., pp.232-36.
the journey across the Pacific had admirably performed the task of conveying rations to the several stations inland. Comparison of this method of transport with the wasteful, inefficient and expensive pack bullock system definitely favoured the mules, but unfortunately, the number of mules was too small to consider using them for the removal of all wool from Tamworth. The transport of the annual clip from Tamworth to Newcastle was so expensive that it prevented King recommending the removal of all sheep to the more open pastures of the Peel. The huge expense of carting non-ration stores to Tamworth from Stroud and Maitland as well as bringing down produce from Tamworth to Newcastle was the forbidding factor. Expenses at the Peel almost equalled profits. ¹⁰ In order to avoid the expense of transport it was preferable, as in 1839, to drove 19,000 wethers from the Peel over the mountain road to Telligherry for shearing. King also tried to make the Peel sheep establishment more self-sufficient: fifty acres of wheat were sown at Tamworth in 1839 and yielded a good harvest. In spite of these innovations the difficulties of transport and communications between the Company's coastal and inland grants were not overcome. The cost of transporting the clip down the Hunter to Newcastle remained the major obstacle to increased profits. ¹¹

Although surviving evidence does not provide us with a continuous tally of sheep at the Peel or accounts for the cost of dray transport for the long haul over the Peel and Liverpool ranges and down the rough track of the Upper Hunter, it can be inferred that King's assessment provides definite evidence of Blainey's recent depiction of the land barrier faced in Australia prior to the development of the railway. ¹² The spine of high land formed by the Mount Royal Range and the southern branches of the New England Range sent the watershed of the Barnard-Manning River water system close to the coast. There were no navigable rivers between Tamworth and Morpeth in one direction or between Tamworth and Wingham in the other.

¹⁰ King to Court, 12 February 1840, ibid., pp.335-39; King to Court, 5 November 1841, 78/1/17, pp.39-40.

¹¹ King to Court, 21 August 1839, 78/1/16, pp.232-36.

In this latter direction there was no through road, but only a marked track, until the early 1960's when modern technology overcame the steep terrain of the land between Nowendoc and Gloucester. The only alternative lay in sending wool drays from Tamworth to the end of navigation on the Hunter, at Morpeth, or on to Newcastle. Given the Company's storage facilities and men at Newcastle it was preferable to go on the extra twenty miles to Newcastle. The basic difficulty lay in the nature of the track surface north of Maitland. This was, at best, little more than a set of wheel marks over long flat surfaces or a rough track over two very steep ranges near Murrurundi and Curragebula. Both the Liverpool and Peel ranges were the dread of teamsters, a fact attested sufficiently by the later repetition of the name Curragebula for a portion of the Hewitt track east of Tenterfield on the hazardous track from northern New England to the Clarence. At worst, it was a journey over parched land devoid of pastures and water for bullocks or, in other times, a long tedious haul through boggy lands crossed by the Hunter and its numerous feeder streams. Blainey has also referred to the costs associated with bullock team transport. Although the Company, for the most part, used its own bullock teams the scale of its operations was constantly restricted by factors associated with this method of transport. There were years when it took three months to convey the wool clip from the Peel to Newcastle, a trip which today would take between 5 and 6 hours. Although the Company's surviving records do not tell us how many men accompanied each team it is probably fair to assume that one bullocky to a team of nine bullocks was the usual practice. While the bullocky carried his own food, supplied from the Company's stores, the bullocks were dependent for food and water on the pastures and streams along the track. The frequency of droughts in the Upper Hunter were, then, a major hazard for bullock transport.

At the same time, the Company was strategically placed to benefit by stock sales to squatters moving from the Hunter Valley to New England. From 1833 onwards the early squatters such as Henry Danger

(no doubt utilising his valuable experience gained with the Company),
Henry Dumaresq, William Dumaresq and William Carlyles had sent their
overseers and shepherds to follow Edward Gostwyck Cory's line over
the Moonbi Ranges north of Tamworth. Other squatters such as Edward
and George Everett followed them to Ollera and Wandsworth in 1838–39.
Archibald Boyd, Oswald Bloxsome and Archibald Windeyer late in 1838
accompanied Duval, William Dumaresq's stockman at Tilbuster, over the
Ben Lomond Range to take up the choice pastures in the "land of the
beardies" at Stonehenge, Rangers Valley and Deepwater. By 1840
Stuart Donaldson's agents, R.J. Traill and R.R. Mackenzie were as
far north as Tenterfield. The same year Patrick Leslie led the
advance onto the Darling Downs. Other squatters followed H.C.
Sempill's track from the Upper Hunter to the Apsley river country,
near Walcha or, like Alexander Campbell and Peter McIntyre came into
New England from the west after following Cunningham's track or
Joseph King's line over Kings Gap between Bundarra and Inverell. 14

This movement of squatters into the New England and the Gwydir
or 'Big River', districts was used by the Company whose improvements
in the sheep department on the Peel between 1834 and 1839 had reached
a take-off point by 1840. The Company's Peel station was, in effect,
on the edge of what King later called the limits of "squattation".
As the labour market became uncertain with the ending of the trans-
portation system the Company was forced to reduce the size of its
flocks. The spread of squatters into new lands behind Moreton Bay
and the Gwydir River enabled the Company to supplement its income by
stock sales. The years 1839–40 however marked the only years in
which the Company sold large numbers of sheep at the Peel. This was
a direct consequence of Patrick Leslie opening up the land on the
Darling Downs and in the Moreton Bay districts. Although small flocks
were occasionally sold in subsequent years they did not reach the
numbers attained in 1840. By 1846 the discovery of fine tracts of
country in the north west interior, around the present valleys of the
Barcoo, Burnett and Dawson rivers of Queensland, by Leichhardt,
Kennedy and Mitchell, was beginning to induce some men to invest in

stock some of the money which had long lain idle in the banks but the Company could not hope to benefit from the sales. King judged the situation in a realistic light: the only persons to benefit would be those squatters and proprietors located near the boundaries of settlement at the northern end of New England and around the Moreton Bay district. Removal of stock from these districts into the newly discovered lands would be more convenient and less expensive for purchasers. Squatters located on the Darling Downs in 1846 benefitted as the Company had benefitted in 1840 when the Moreton Bay districts were opened. In 1840 the Peel Estate was situated as Moreton Bay was in 1846: on the edge of a country into which squatters were crowding with all haste to occupy the choice runs. By 1846 the Peel was so much within the limits of "squattation" that it no longer possessed its advantageous position for such sales.  

From 1834 onwards the Company had sold stock to Hunter Valley and Liverpool Plains squatters in its annual sale at Maitland. A few extra head were sold in private sales at Stroud: from 1834 to 1838 these were stock culled from the flocks and herds as Dumaresq and Ebsworth made a determined effort to improve the quality of fleece, constitution and blood strain of the Company's sheep. During these years the Company realised a substantial annual profit from stock sales but it is clear that it saw its basic purpose in the sale of its annual wool clip in London. During 1839 and 1840, on the other hand, King seized on the strategic location of the Peel Estate apropos the movement of squatters to the north to make very profitable sales of stock. Does this mean then that King reversed the established priorities of the sheep department? This seems unlikely. The answer lies rather in King's hardheaded realism. He knew the transportation system was coming to an end. This inevitably implied a shortage of shepherds. Faced with this situation King decided to make a virtue of necessity and to reduce the size of the flocks on the Peel. From 1841 onwards sales reverted to their normal role but

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15 King to Court, 21 April 1846, 78/1/18, pp.620-22; Annual Reports, 1841-43.
16 Annual Reports, 1835-40.
by then, other difficulties were appearing in the sheep department. The relative weight of wool and stock sales can be seen in the gross receipts from these sales over an extended period.

### GROSS RECEIPTS

#### WOOL AND STOCK SALES

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<tr>
<th>YEAR</th>
<th>WOOL</th>
<th>STOCK</th>
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<tbody>
<tr>
<td>1826-29</td>
<td>£ 3,643. 3. 4</td>
<td>£ N.A.</td>
</tr>
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<td>1830</td>
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</tr>
<tr>
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<td>1833</td>
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<tr>
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<td>£ 4,511. 5. 6</td>
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<td>£ 4,972. 9. 7</td>
<td>£ 9,479. 2. 9</td>
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<td>£ 11,946. 6. 9</td>
<td>£ 9,491.10. 7</td>
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<td>£ 12,500. 3. 5</td>
<td>£ 17,542.16. 8</td>
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<td>£ 9,913. 1. 0</td>
<td>£ 21,498. 1.10</td>
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<td>£ 9,298.10. 5</td>
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<td>1843</td>
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<td>1849</td>
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<td>£ 431.14. 6</td>
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**TOTALS**

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<tr>
<td>£ 207,326. 6. 2</td>
<td>£ 82,602. 7. 7</td>
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Notes:

1. In 1834-35 no stock sales figures but 968 sheep, 46 cattle and 78 horses were sold. For the most part these comprised the remainder of the colonial old sheep on the Estate.

2. The wool figures shown for 1833, 35, 36 are actually for the years 1833-34, 1834-35, 1835-36; and the 1837 figure is an estimate based on the total given for 1835-36-37 less the other totals for 1835 and 1836.

3. The year 1837 was a year of unusual depression in the London wool market so most of the 1836 clip was held over till 1838.

4. The wool figures shown for 1847 are actually a part of 1846 and the total for 1847.

5. The above figures are amended figures from the balance sheets. Different totals often appear in the body of the Annual Report but, as it was not unusual for part of the clip to miss the departure date in Newcastle, some wool was stored there until a later vessel could transport it to London.

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17 *Annual Reports, passim.*
These figures for wool and stock sales and the stated policy of the Company indicate the priority of wool production over the marketing of stock. This is scarcely surprising when one remembers the purposes for which the Company was established in 1824. This conclusion also illustrates the unique nature of the A.A. Company in the New South Wales pastoral industry between 1824 and 1851 as a separate factor distinct from both landed proprietors and squatters. It supports Butlin's assessment in so far as it shows that stock sales played an important, if lesser, role in the Company's income during these years. Except for the years 1839 and 1840 stock sales in the colony were always subordinate to wool sales in London. At the same time a total of £82,603. 7. 7 for stock sales between 1833 and 1849 was a sizeable revenue lending weight to Butlin's emphasis on the role played by stock sales in the income of a pastoralist. The nature of the Company's accounts with their blanket heading of expenses on the pastoral estate, colliery and London offices makes it impossible to deduce whether wool sales covered running expenses of the pastoral estate or whether profits came solely from the sale of stock. While this fact is to be regretted it serves, on the other hand, to underline the character of the Company as a special type of pastoralist. Both its scale of operations and its overall interests in pastoralism and agriculture indicate this. These factors also posit the need for caution when discussing the Company's pastoral operations in relation to the accepted conclusions applicable to landed proprietors within the Limits of Location and to squatters inside or outside the 1829 boundaries.

The special nature of the Company as a pastoralist can be seen, for another example, in its constant concern for the quality of the flocks in its sheep department. The Company's initial imports of high quality Saxon and French merinos had been adulterated by the purchase of old sheep. But once Parry's detailed examination had confirmed the precise state of affairs a concerted attempt was made to remedy the situation. By the beginning of 1836 the 55,695 sheep on the Port Stephens and Peel estates consisted entirely of good quality sheep bred from the Company's own imported flocks or from crosses between these sheep and the descendants of the better cast
sheep purchased in the colony.\textsuperscript{18} After 1836 Dumaresq and his colleagues were able to concentrate their efforts on cross-breeding experiments in an attempt to improve the fineness of the wool fibre. The first attempt in this line was made in 1838 with an experimental cross between imported Leicester and Port Stephens Saxon merinos. The experiment met with mixed success and was not proceeded with on a large scale.\textsuperscript{19} Other attempts were made during the 1840's to improve the quality of the flocks by the introduction of fresh Saxon and Mecklenberg sheep. In 1846 King hoped that an importation from abroad of six Mecklenberg and five Saxon rams would effect a marked improvement in the wool fibre of the sheep. These rams were put to two flocks of 250 select ewes but with little success. Harsh climatic conditions during the first two years took a heavy toll and only two Saxon and two Mecklenberg rams were still alive in 1848. In spite of this loss King had achieved a marked success with the cross, which by 1848 stood as follows:

\[\begin{array}{ll}
15 & \text{cross Mecklenberg and French 22 months old} \\
29 & \text{cross Mecklenberg and French 10 months old} \\
5 & \text{cross Saxons and Saxons 22 months old} \\
6 & \text{cross Saxons and Saxons} \\
\end{array}\]

King anticipated a great gain in the produce from these sheep. He aimed to infuse their blood through the flocks. He also hoped to further improve the flocks by importing a second batch of French merino rams.

A further batch of rams was sent out by the Court of Directors in 1848 to help renew the vigour and constitution of the sheep. Although the results of these attempts were relatively poor by the higher standards achieved during the latter half of the nineteenth century they are important in so far as they establish the concern felt both by Commissioner King and the London Directors for the quality of the Company's flocks. The received opinion has been that, although

\textsuperscript{18} \textit{Annual Reports}, 1835-36.

\textsuperscript{19} King to Court, 22 July 1839, 78/1/16, p.211.
the flocks were being managed well at some stage between 1832 and 1849, this was the exception rather than the rule. It is clear that King, in conjunction with Charles Hall, kept a close eye on the sheep department and did everything possible, against the conditions of the time, to effect improvements in this department. It is clear, also, that disagreement existed between them about the best methods for achieving these changes by introducing new strains. Charles Hall, for example, did not attach much importance to the Mecklenberg breed but judged it was the best importation that could be introduced. King, on the other hand, felt that the Mecklenberg could be useful. He did acknowledge that the wool of the Mecklenberg might be finer; he hoped the climate might effect that change.20

Conclusive evidence of the sustained quality of the Company's flocks is afforded by negotiations by the Macarthur family in 1847 to purchase French rams from the Company in order to infuse new blood into the Camden Park stock. The Macarthurs, like many other landed proprietors by 1847, were experiencing difficulties with their sheep stock. This was largely the result of the Macarthur sheep being bred too close. As a result of being inbred the Camden Park sheep needed a change of blood. Charles Hall, on the other hand, was satisfied that the Company's sheep did not need such a change of blood. They had better and stronger constitutions than when imported; they were large and better-shaped sheep, and cut more wool.21

To appreciate the import of these negotiations it is necessary to understand the character of the Camden Park stud. The Macarthur 1847 thoroughbred sheep were unmixed descendants of the original sheep imported in 1797 and 1805. The Macarthurs had carefully preserved these sheep from any intermixture. Since 1825 the best flock from which they drew their supply of rams had been registered. The pedigree of every arrival in the Register could be traced back to a period prior to 1825.22 As much as old Captain John Macarthur might

20 King to Court, 5 November 1841, 78/1/17, pp.38-39; King to Court, 29 September 1845, 78/1/18, pp.373-74; King to Court, 22 June 1846, ibid., pp.674-76; King to Court, 3 March 1848, 78/1/19, p.113; King to Court, 17 August 1848, ibid., pp.191-92.

21 King to Court, 23 November 1847, 78/1/18, pp.1172-74.

22 W. Macarthur to King, 5 October 1847, encl. in King to Court, 23 November 1847, 78/1/18, pp.1207-1214.
have made a quick profit by culling off the worst of his flocks and selling them to unsuspecting buyers, he was equally determined not to diminish the quality of his prized thoroughbred flock.

Against this background the desire of William Macarthur to purchase French rams from the Company assumes considerable importance. Macarthur would have purchased large numbers of sheep if there had been sufficient suitable sheep available for his purpose. He also renewed an official proposal to King for an exchange of sheep between Camden Park and the Company. King, for undisclosed reasons, declined Macarthur's proposals.23 These negotiations also support King's claim that the Company's flocks were regarded as the best in New South Wales.24 In the absence of independent corroborative evidence, one is hesitant to accept such a claim but it would seem there is little reason to doubt King's assertion. Both the negotiations of the Macarthurs and the absence of contradictory statements probably indicate the soundness of King's boast.

In spite of this fact, however, there is no doubt that the Company was beginning to face, towards the end of the 1840's, the difficulties which were to lead in the early 1860's to the restocking of its sheep department. During the perilous decade of the forties the Company experienced heavy losses on the coastal estates. Charles Hall judged that these losses were due entirely to poor pasturage and bad seasons. The evidence supports these conclusions. This factor can best be considered by examining the combined operations of the sheep department both on the coastal and Peel Valley estates.

Although satisfied with the sheep department when he assumed office in 1839, King was aware of emerging problems. The London brokers had commented on flock deterioration in the 1840 clip even though the wool was of very good quality with marked uniformity of character. Koelz, one of the officers in the sheep department, judged

23 King to Court, 23 November 1847, *ibid.*, pp.1172-74.

the 1841 clip to be in very good order. The varying character of the clip during these years coincided with King's observation of a definite decrease of size in the sheep bred at Port Stephens compared with stock at the Peel. The inland sheep were strong and robust. A natural remedy lay in crossing Port Stephens ewes with Peel rams, but a natural difficulty hindered this suggestion. The Peel rams, pastured on rich inland grasses, lost condition in coming across the rough Nowendoc line from Tamworth to Gloucester. In fact, for the first twelve months the rams tended to starve themselves. Thus, if rams were brought from the inland they would be unfit for tupping. King recommended one of the possible alternatives: an import of 50 strong, long-wooled prime merinos of French or Saxon race. It was against this background that King carried out the experiments with Saxon, French and Mecklenberg rams during this decade. 25

Two factors prevented King trying another possible solution: removing all sheep to the inland grants. The first of these was the already established expense of maintaining the Peel stations and transporting the wool out each year. 26 The second was the clearly proven fact, scarcely credible by twentieth century experience, that the Telligherry, Gloucester and Bowman stations on the coastal grant repeatedly produced the Company's finest wool. It is this vital fact which has been consistently ignored by historians who dismiss the Port Stephens grant as little more than a fine school for teaching the Company's employees to become skilled horsemen. During the 1830's and 1840's the loftier ranges, above the narrow river valleys and higher agricultural lands, were clothed with a short, sweet and nourishing grass which provided excellent pasturage for sheep and cattle. 27 It is also certain, on the evidence of Phillip Parker King, that the forest lands, like the eucalypt forests of Gippsland

25 Hall to King, 27 October 1847, encl. in King to Court, 23 November 1847, ibid., pp.1215-17.

26 King to Court, 5 November 1841, 78/1/17, pp.38-40.

when the first European settlers arrived, were more open and covered with pasture. One of the more immediate ecological effects of the European-Aboriginal culture contact was the cessation of previous regular burnings of the ground in these forests. Whereas the Aboriginal regularly burnt through the forests as part of his normal hunting practice the encroachment of the Company's stock and stations led to a gradual stopping of this habit. The Company's pastoral requirements could not co-exist with this practice of burning. The previous open spaces in the forests quickly filled in with scrub and brush.  

Before these factors became a serious problem the Company consistently produced its finest wool on the coastal estate. The wool produced from the sheep depastured on the hills near the coast, invariably, from its fineness of texture, realised nearly sixpence per pound more than that produced from a similar breed of sheep fed on the Peel River lands where the grass was more rank. Another important factor in this situation was the more stable climate of the Port Stephens Estate during the 1830's and early 1840's. The Peel River portion, on the other hand, was subject to greater extremes of heat and cold than the coastal grant. Although sheep, cattle and horses thrived on the pastures of the Peel, the wool from the inland flocks was of a coarser nature. It also made up in quantity what it lacked in fineness of texture.  

A combination of deteriorating pastures and very severe conditions during the 1840's posed almost insuperable problems for King. During 1841 severe bush-fires raged extensively over the coastal estate and burnt large sections of pasture land. Although the sheep were deprived of convenient pasturage they remained in fine condition. On the Peel Estate, on the other hand, sensible land use had enabled the Company to survive a very severe drought. Pastures around the water holes had been destroyed by stock feeding and the long dry weather.

29 Australian Agricultural Company, Emigration to Australia, pp.4-5.
By resorting to the plentiful pastures in the ranges two or three miles from the water holes the overseers and shepherds had been able to keep the sheep looking fine and healthy. Cycles of hot days and frosty nights wreaked havoc with squatters' stock but careful superintendence of the Company's flocks enabled it to suffer only minor losses. Absolute starvation was killing ewes and lambs on squatters' lands on the Liverpool Plains and around the Peel. The ground resembled a ploughed field as ewes rooted up the grass. By mid-October the dry, thin pastures on both grants were badly burnt either from drought or fire. Lambing results were far below normal expectations. Rain came in time for shearing to commence at the normal time on the coastal estate but negligible rain fell on Liverpool Plains and at the Peel. The effects of severe drought in the interior seriously hampered communications with the coastal estate by the beginning of 1842. So dry was the summer season that there was no feed on the road through the Hunter Valley and across the northern country to Tamworth. The mortality rate amongst the working oxen rose sharply. The mountain road via Giro and Nowendoc so distressed the mules that King felt obliged to suspend that method for a time.

Good rains fell during February on the coastal estate, resulting in abundant pastures and water around Stroud, Telligherry, Gloucester and Nowendoc. But as late as the end of March, no rain had fallen at Liverpool Plains or along the Peel and King feared he would have to remove all stock to the coastal estate. He authorised Charles Hall to remove all sheep from the Peel when required. King was astounded at the staggering loss of stock in the interior, amongst the squatters. Some thousands of cattle and many tens of thousands of sheep had been starved to death. The Company's ability to rotate stock between the coast and the interior and its wiser use of land and water under an efficient management system had

30 King to H.T. Ebsworth, 4 October 1841, 78/1/17, pp. 5-10; King to Court, 11 October 1841, ibid., pp. 11, 14; King to Court, 25 October 1841, ibid., pp. 26-27.

31 King to Court, 26 January 1842, ibid., pp. 108-109.
enabled it to avoid the plight of the squatters facing ruin in the interior. 32

The compounding of difficulties in the interior came as a severe disappointment to King who was so anxious to see the Peel Estate developed to its full potential. He was conscious that the Company's possession of land by grant gave it a more secure position of tenure in the land than the neighbouring squatters who depended on the annual renewal of their licence and the good humour of the Commissioner of Crown Lands. During 1841 and 1842 considerable expense had been incurred in erecting at Goonoo Goonoo substantial buildings to replace the temporary huts in which the superintendent resided and stores were secured. Although the work had been a burden upon the Stroud Manufactures and Works Department the improvements were absolutely necessary. Their permanent character added considerable value to the estate. 33

No sooner had these works been completed than King was faced with a momentous decision: whether to retain or to sell the inland grants. As if drought and severe climatic conditions were not enough, in 1842 scab occurred in sheep at the Peel. The outbreak of scab in flocks previously completely free from all diseases, had resulted from the constant passage of sheep through the Company's lands by squatters moving to New England, Moreton Bay and the Gwydir Districts. The flocks were in constant danger of infection. 34 The combined effect of drought, scab and running expenses caused King to review critically the overall stock situation during mid-1842. His decision not to remove all stock to the interior and not to sell the coastal lands is a salutary correction to any contemporary tendency to ridicule the Company for taking a large portion of its land on the coast close to water and a harbour. The great expense involved

32 King to Court, 25 February 1842, ibid., pp.131-32; King to Court, 22 March 1842, ibid., pp.140-41.
33 King to Court, 6 June 1842, ibid., p.196.
34 King to Court, 1 September 1842, ibid., p.273.
at the Peel with superintendence, wages, carriage of stores up and
wool down was not covered by the sale of wool sent annually to London.
This expense factor made it desirable to sell the Peel lands as soon
as time would permit. Until such a time cattle and horses could be
advantageously kept at the Peel for a comparatively small expense.
This would enable King to use the Port Stephens runs entirely for
sheep.\footnote{35} Thus, even as late as mid-1842, the Port Stephens Estate
outranked in priority and usage in the sheep department the more
open lands and the rank pastures of the Peel. Economics of transport,
climatic conditions and better pastures favoured the coastal estate.
From 1826 to 1842 the wisdom of occupying land east of the Great
Divide had been vindicated. The Peel Estate, although it played
an important role from 1834 to 1842, could not have functioned
without constant communication with the Port Stephens lands. The
Peel was dependent on the eastern lands for shearing facilities,
stores and as a retreat for pastures in dry years.

The experiences of 1841 and 1842, moreover, convinced King
that it would be better to sell the Peel Estate and use more in-
tensively the Clergy and School Estate adjacent to the Port Stephens
Estate. He obtained approval from Governor Gipps to rent from the
Agent of the Church Corporation Lands the parishes of Crobie and
Fitzroy, as well as part of the parishes of Verulam, Faulkland and
Trevor.\footnote{36} The only real factor preventing this sale was the Com-
pany's inability to obtain its title-deeds. King urged the Court
to obtain a release from such restrictions as he knew Gipps would
throw every impediment in the way to prevent the Company competing
with the Crown in land sales in the inland area.\footnote{37}

By the end of King's active term as Commissioner in 1849,

\footnote{35} Ibid., pp.273-74.

\footnote{36} W. Elyard to H.H. Christie, 5 September 1842, A.O.N.S.W.,
4/56; King to Court, 26 December 1842, 78/1/17, pp.329-30.

\footnote{37} King to Court, 1 September 1842, Ibid., pp.273-74.
however, the situation demanded a change of policy and emphasis. The Peel Estate had assumed a definite priority in the sheep department and sheep stations were being established on the Liverpool Plains Grant. How does one explain this change of policy whereby the reliance on the coastal lands for sheep up to the early 1840's was replaced by the primacy of the Peel in the late 1840's? The answer to this question not only relies on important evidence on climatic conditions on the coast between 1842 and 1849 but helps to explain, in part, the traditional view that the Port Stephens grant was useless for sheep.

The changing role of the Peel Estate and the Port Stephens Estate can be best appreciated by comparing the total number of sheep kept on the two establishments. In 1841 there were 50,287 sheep on the Port Stephens Estate and 24,047 at the Peel: a ratio of 2:1. On 31 March 1846 the figures were 59,728 at the Peel and 56,467 on the Port Stephens Estate. These figures for each place remained similar till the end of 1849. King was, by then, convinced that so long as the Company remained proprietors of sheep the Peel Estate had to be retained in its integrity: it was by far the finest sheep country in New South Wales even if it was not as well adapted for fine wool as the pastures on the Port Stephens Estate. 38 What had happened between 1842 and 1846 to influence King to change his judgement?

There was a combination of factors. First of all, there was the change of pastures on the coastal estates. By the end of 1845 the natural pasturage on which the sheep fed in the Telligherry and Gloucester districts was not so rich as in former years. The kangaroo grass was more stunted than before and in many places it had entirely disappeared and been replaced by coarse tufted grass or by the "Doob" grass. This latter grass had the advantage of being very popular with sheep and cattle and even of being the usual feed for horses in India. It was not as nutritious as the natural grasses and suffered from one great disadvantage: frosts killed it in winter. 39 This deterioration of natural pasturage on the open

38 King to Court, 22 June 1846, 78/1/18, pp.673-74.
39 King to Court, 19 November 1845, ibid., pp.463-65.
flats and slopes was paralleled by the closing in of the previously openly timbered lands. An immense quantity of saplings and scrub now covered this land for reasons explained previously. The resurgent saplings had grown beyond the reach of the common fires which merely burnt the grass and drew off all moisture from the herbage. The nutritious grass, especially the kangaroo grass and oat grass, had been succeeded by a wiry-tufted grass which the sheep refused to eat. King judged that in a few years the Telligherry and Gloucester runs would be useless for sheep. It was this fact of the poor pastures on the coastal estate by the end of 1849 and 1850 which has been seized upon by subsequent generations. They have ignored completely the excellent character of the Telligherry and Gloucester pastures up till mid-1842. The first evidence of pasture deterioration became fully apparent only after 1843 when the young sheep did not grow strong and healthy. During 1845 the deterioration became very obvious and caused King to face the very uncomfortable fact that within a few years the corporation would probably need to vacate the sheep runs on the Port Stephens Estate. This, he knew, would lead to more intensive use of the Peel Estate and a re-occupation of the Liverpool Plains Estate by sheep runs.

A second cause underlying the poor condition of the Port Stephens flocks during the 1840's was bad shepherding. Because of the open character of the country and rank grasses, the sheep on the Peel could take care of themselves. At Port Stephens they

40 S.H. Roberts, The Squatting Age, p.138; J. Robertson, "The Australian Agricultural Company and the Port Stephens Fiasco", loc.cit., p.217. This tradition is based on a statement drawn up by J.C. White in 1854. As White was not in the Company's employment between 1841 and 1851 it is necessary to interpret his conclusions against the detailed background of pasture deterioration, severe seasons and bad shepherding outlined above. Most of White's condemnations are applicable to the 1849-1854 period; J.C. White to Captain Brownrigg, 24 November 1854, 78/1/21, pp.930-53.

41 King to Court, 22 June 1846, 78/1/18, pp.671-73.

42 King to Court, 19 November 1845, ibid., pp.463-65.
had to be led or driven to good feed which was more scattered than in the interior. It was difficult to find shepherds who would exercise sufficient care. The situation had worsened with the ending of the assignment system. There could be no doubt that many of the convicts assigned during the thirties were poor shepherds. On the other hand, many were good shepherds from fear of being punished for neglect. There had been a marked qualitative change with the transition from the assignment system to the era of free labour. The shepherds of the forties could not be punished for starving their flocks. These shepherds took the sheep out from the hurdles every morning and brought them back for folding at night. During the day, they would neither trouble nor fatigue themselves by searching for feed. The result was inevitable: on many bad runs the sheep were soon reduced in condition and perhaps starved amidst plenty. With very few exceptions this was the fault of the emigrant shepherds. Casual shepherds hired for lower wages on a yearly basis were usually much better. The results of poor shepherding were inevitable: the constitution of the sheep suffered, they produced only a small fleece, and they did not rear their lambs properly.\(^{43}\)

The third factor which changed the priority of the inland and coastal grants during the forties was the unusual succession of extreme climatic conditions between 1843 and 1847. It is this factor which has usually been left out of previous discussion of the Company’s land use policies on the coastal and interior grants. Extensive heavy rains fell at Port Stephens, as at Wollombi Valley and the Peel, at the beginning of 1843 and relieved the previous severe situation in the interior.\(^{44}\) This relief of the previous drought occurred just as the widespread economic recession was beginning to be felt by the Company. Boiling down of sheep and cattle for tallow had already become well established throughout the colony during 1844. In spite of this development, the Company had not begun the practice as late as March 1845 mainly because of the heavy losses of stock resulting from severe climatic conditions

\(^{43}\) King to Court, 22 June 1846, *ibid.*, pp.674-76.

\(^{44}\) P.G. King to P.P. King, 17 March 1843, 78/1/17, pp.438-42.
on the coastal estate. After the shearing at the end of 1844 heavy
hail storms had caused considerable damage among the flocks: as many
as 70 to 80 sheep were killed at one time. During 1844 the total
decrease of sheep had been 13,751. Of these 4,735 had been slaughtered
and 278 sold. Of the 8,738 lost by age or casualty, only 2.5% were
aged sheep. None of the surviving Port Stephens sheep were suffi-
ciently fat to boil down during 1845. The experience of heavy rains
at shearing time was repeated in 1845 when heavy rains set in during
November.45 These rains interrupted shearing and washed away all
the fittings of the dam at the wash pool. The side effects of these
storms were quickly felt in the sheep department: 200 died in one
flock during the rain. The thermometer reading stood at 105°F the
day prior to the rain. It dropped to 57°F during the storm. This
change was sufficient to destroy the old and weaker sheep especially
as these rains followed a very severe winter accompanied by a
great scarcity of grass. These factors weakened the sheep, espe-
cially the breeding ewes and resulted in a deficient wool growth.
The heavy summer rains lengthened the shearing season into the new
year. Lack of good shepherds and the weakened state of the ewes
had resulted in a poor lambing season in 1845: 23,767 lambs from
a total of 30,594 ewes put to the ram. Losses were heaviest at
the Gloucester. After the November 1845 rains the season had not
been favourable for sheep: cycles of extremely hot days were
followed by periods of cold days. Against this background King
decided to rotate flocks between the coast and the Peel. The
10,704 sheep brought from the Peel to Telligherry for shearing
were kept on the coastal estate and replaced by 11,000 sent inland.
By April 1846 the climatic condition had worsened as no rain had
fallen since the heavy rains of late 1845. The stock, especially
the 1845 lambs, were suffering greatly. By the time some rain fell
in early April extensive bush fires had destroyed all pastures.
No rain fell at Port Stephens between mid-April and mid-May and
the general situation worsened. By May the coastal flocks were in
a very critical position. Severe wet seasons followed by severe

45 King to Court, 12 March 1845, 78/1/18, pp.60-66.
drought were having the inevitable effect.\textsuperscript{46} There was not a vestige of pasture on the coastal runs between mid-April 1846 and July the same year. King conveyed the grim realities of the situation by comparing readings from his meteorological journal. For the first seven months of 1843, 1844 and 1845 the mean rainfall at Tahlee had been 25.919 inches. In 1846 it was 9.973 inches. Most of this evaporated instantly. Although there was no rain gauge at the Gloucester, King doubted whether half this total had fallen on the northern portion of the estate.\textsuperscript{47}

The sheep figures for the half-year ending 30 June 1846 told their own story: there had been a total decrease of 17,713. Of these, 5,016 were sold at the Peel, 3,542 were boiled down and 2,502 were slaughtered. Another 5,431 had died from age, disease or accident. A further 803 were either dead from dogs, casualties, lost or stolen by Aborigines. The heaviest loss from disease occurred at the Gloucester where Robins tried various remedies which were offset by the harsh climatic conditions. Hall judged that the losses at Telligherry and the Gloucester were the worst ever - certainly the dingoos had killed more sheep than in any other time. At the Peel, the situation was a little different in 1846: there was no actual distress even though the lack of water was felt. Hall feared the lambing season: a total of 29,620 ewes were expected to begin lambing at Telligherry, Gloucester and the Peel at the end of August. It would be hazardous to wean the lambs unless climatic conditions improved.\textsuperscript{48}

\textsuperscript{46} King to Court, 19 November 1845, \textit{ibid.}, pp.461-62; King to Court, 13 January 1846, \textit{ibid.}, pp.538-44 and encl. in J. Ebsworth, P.G. King and C. Hall to Captain King, 17 January 1846, \textit{ibid.}, pp.547-48; King to Court, 9 April 1846, \textit{ibid.}, pp.601-60; King to Court, 15 May 1846, \textit{ibid.}, pp.652-54; King to Court, 22 June 1846, \textit{ibid.}, p.670.

\textsuperscript{47} Postscript dated 3 August in King to Engstrom, 28 July 1846, \textit{ibid.}, p.729; King to Court, 15 August 1846, \textit{ibid.}, pp.734-36.

\textsuperscript{48} \textit{Ibid.}, pp.736-43. For conditions at the Gloucester, see encl. in E. Robins to C. Hall, 30 July 1846, \textit{ibid.}, pp.755-58.
A copious fall of rain relieved the Gloucester and Peel pastures by late September 1846. The rains were too late for the lambing season which promised heavy losses. The ewes deserted their young as soon as weaned. King believed that it would be fortunate if 50% of the lambs were reared. On the other hand, there was every indication of a good lambing on the Peel Estate and this compensated for the deficiency at Port Stephens.  

The beginning of shearing in late October 1846 marked the time of reckoning in the flocks department after a severe and hazardous year. When shearing commenced on 29 October there was every prospect of a good clip. Losses for the nine months ending 30 September had been severe: 4,998 sheep died of starvation; another four or five thousand, 40% of the total dropping of lambs, died on the coastal runs. The bulk of the losses from starvation took place on the runs around Gloucester where 3,441 sheep died and another 1100 died on the Telligherry runs. Only 447 died on the Peel. The total decrease for the nine months amounted to 24,959. There were, however, still 99,016 sheep on the estates from which King hoped for a weaning of 18,000 lambs. 

Although the weather continued to wreak havoc during the shearing season, killing for example 98 sheep on one station, King entered 1847 on a note of optimism. By early January the pastures had recovered and the stock at the Peel quickly regained their prime condition. On the Port Stephens Estate it took a longer time. In spite of every prospect of a good summer and autumn season the more delicate constitution of the coastal sheep necessitated a longer recovery period. 

49 King to Court, 7 September 1846, ibid., pp. 762-63, 766; King to Court, 30 September 1846, ibid., pp. 772-73.
50 King to Court, 18 November 1846, ibid., pp. 804-806.
51 King to Court, 30 November 1846, ibid., pp. 818-21, 834; King to Court, 4 January 1847, ibid., pp. 835-36.
This detailed examination of the sheep department in the years 1843 to 1846 has verified that there were still sound reasons, in spite of pasture deterioration, for keeping sheep on the coastal estate. It was the quality of shepherding and the severe seasons which were responsible for the large losses. King could not use the solution of withdrawing all sheep to the Peel because of the simultaneous occurrence of drought and the severe lack of water on the interior grant. He was faced with a situation not previously faced by Dumaresq and Ebsworth - that of severe drought on both grants whose co-ordinated use was necessary for the efficient functioning of the sheep department. If the proportion of sheep on each estate had changed radically since 1841 it was not because of the movement of sheep from the coast to the Peel but because of the heavy losses, due to severe seasons and bad shepherding, on the coastal estate. Against this background it must be concluded that King made a prudent judgement in deciding only to rotate sheep between the grants after 1846 instead of moving all stock to the interior. He had every reason to anticipate the return of good seasons on the coast. He had no reason to doubt that severe drought conditions would recur in the interior.

His judgement was confirmed during January 1847 when 6 inches of rain fell during the first part of the month. This contrasted sharply with the total for 1846 when only 23.961 inches fell at Tahlee; this was 12.183 inches less than the mean for the years 1843 to 1846. The face of the land between Stroud and Gloucester changed radically and the pastures were luxuriant. This improvement did not, however, persist. 52

During April troubles returned with added strength to the sheep department. The disease which had frequently afflicted the lambs reappeared. Rather disturbingly, it also attacked young sheep transferred from the healthy pastures on the Peel. If it were not for this factor King would have judged the disease amongst the coastal flocks as of a constitutional character. There was now no choice but to attribute it to the rain and the long, wet grass on which the

52 King to Engstrom, 27 January 1847, ibid., pp.876-78.
The 1847 season was also unusually severe on the ram station at Bowman River. Frequent heavy falls of snow and hard frosts caused large losses amongst the old rams and many lambs died. In addition, dingoes were unusually troublesome and numerous and King hoped to reduce their number with poison. In spite of careful attention by the overseer, the trying winter was bearing full fruits by September as the lambing season began. If the ewes lived, King did not expect more than a 50% survival of lambs irrespective of highly successful droppings at the Peel and Dividing Range stations. King stated that if the sheep were his own property, he would order every lamb to be killed on being dropped.

By late October the state of the season alarmed King. No rain had fallen since 24 September. King doubted whether any lambs would be saved and shearing would be postponed. This was not only due to the lack of water: the sheep were too weak to bear the washing process. All the wool would probably be shorn in the grease. The position on the Port Stephens Estate was desperate: there was actually no food on the pasture ground; all the creeks were dry. In the vicinity of the rivers the grass was entirely burnt off. The old grass was so dry that any sheep feeding upon it needed immediate access to water. In this grim situation the shepherds were doing all in their power to keep the sheep alive. The Hunter district was in an alarming state: from Maitland to the Liverpool Ranges stock were starving and the crops had failed. There was one scant consolation: wheat and flour prices were still comparatively low.

Charles Hall, the most experienced sheep-man in the employment of the Company, did not expect to save more than 3,500 lambs from

53 King to Court, 14 April 1847, ibid., p.897.
54 Ibid., pp.968-69.
55 King to Court, 24 September 1847, ibid., pp.982-83.
56 King to Court, 21 October 1847, ibid., pp.1160-63; Robins to Hall, 1 November 1847, encl. in King to Court, 23 November 1847, ibid., pp.1204-1206.
the season's yield. This was a hard expectation but he did not think
human foresight could have prevented the severe loss sustained:
overseers and shepherds had exerted themselves to the utmost. Recent
rain at the Gloucester resulted in a slight spring in the grass and
this had the effect of stopping the deaths among the sheep. The
condition of the sheep was currently improving so much that the un-
shorn sheep would be able to come to the washpool and bear the washing
process without risk. Smaller falls of rain had occurred at Telli-
gherry. There was, however, little water at the washpool and no feed
near the shearing shed. There was scarcely any feed on the road to
the Gloucester. Hall's final assessment was severe: during the 22
years the Company had occupied Port Stephens they had never experienced
such a continuance of drought; he was certain there had never been
so unfavourable a spring. 57

By late November conditions were even worse. No more rain had
fallen by 23 November. King decided not to delay the bulk of the
shearing for a more favourable opportunity as the grass seeds would
soon be ripe. Shearing was timed to commence on 1 December. A large
number of sheep had already been shorn at the stations to save the
wool. No more than 30,000 sheep remained to be shorn on the Port
Stephens Estate and none would be sent from the Peel to Telligherry. 58
Shearing commenced at Telligherry on 1 December. With the exception
of a thunderstorm on 30 November no other rain fell. By 14 December
the whole country was on fire and around the Stroud-Telligherry area
the estate was enveloped in thick smoke. But by December 14,000
sheep had been shorn at Telligherry and flocks and shepherds were
then moved north to the Gloucester pastures and the better country
around the Manning. 59 The year 1847 had been unusual. Although the

57 Hall to King, 18 November 1847, encl. in King to Court,
23 November 1847, ibid., pp.1200-1203.

58 King to Court, 23 November 1847, ibid., p.1189.

59 Hall to King, 29 November 1847, ibid., pp.1229-31; King to
Engstrom, 30 November 1847, ibid., pp.1222-23; King to Engstrom,
14 December 1847, ibid., pp.1232-33; King to Engstrom, 23 December
1847, ibid., p.1235.
sheep had recovered in appearance from the previous wet summer with its fall of nearly 4 inches more than the average, the feed was so devoid of nutritious matter that they did not regain their strength. The grass did, however, support the ewes during the period of gestation. Even though the winter of 1847 was the driest since 1842 the ewes flourished until the grass was burned by fires. When the hot days and harsh dry westerly winds set in the evaporation was extreme; the water quickly failed. The effect on the pastures was severe: abundant grasses which had escaped the fires dried and were deprived of nutritive quality. The lambing season fared disastrously: although almost every ewe bore a lamb they could not supply milk. Ewes deserted their young in such numbers that out of 15,142 ewes put to the ram only some 3,700 lambs survived. Conditions in the department of flocks reflected this most unusual season. Sheep losses for 1847 were 30,557 or 18.63% of the number nurtured on 1 January that year. On 31 December 1847 the total number of sheep was 94,962. After a day of searing heat on 3 January 1848 the wind suddenly swung to the south and brought rain. The skies poured forth their bounty. Once again the Port Stephens Estate was cleansed by an abundance of water. By mid-January the winds played over luxuriant pastures. With a realism nurtured by the harsh conditions of the Australian bush King faced an inevitable heavy loss of aged sheep which escaped starvation only to die from the wet weather. Some 3,000 sheep died. These heavy losses among aged sheep were not really worrying because their loss would have occurred later in the year. Their rapid loss in a short period would quickly fade into perspective as the flocks and herds regained their former health and condition.

There can be little doubt that this succession of harsh seasons played a major role in reversing the priorities of the Port Stephens and Peel Estates for wool growing purposes. Along with pasture deterioration on the coastal estate and bad shepherding, the unusual sequence of harsh seasons played a key role in diminishing the importance of the coastal estate. Further evidence of the decline in the

60 King to Court, 3 March 1848, 78/1/19, pp.100-105.
61 King to Engstrom, 5 January 1848, ibid., p.5.
62 King to Engstrom, 27 January 1848, ibid., pp.7-9; King to Court, 10 February 1848, ibid., pp.10-13.
status of the Port Stephens Estate was provided by fleece weights. King's scientific mind had been puzzling over changes in the sheep stock: there was an evident falling off in size and weight of fleece. Although the climate and superior pasturage at the Peel produced a fleece weighing at least a quarter of a pound more than the average, this fact could be attributed to the greater proportion of colonial or crossbred sheep on the inland establishment. In 1847 the proportion of pure bred to crossbred sheep at the Peel was 18:28. At Port Stephens it was 32:31. The Peel sheep, in addition to producing coarser wool to the fleeces on the coastal estate, were heavier and more muscular. They produced at least 8 pounds more inside fat. Because of these factors they were able to contend against adverse seasons. The fleeces from the Peel sheep were quite different: they were coarser and often bore a harsher character from the effect of red dust and high winds during dry weather. The differences between the fleeces from the Peel and Port Stephens Estates can be gauged from comparative study of fleece weights. This table shows a progressively gradual decrease except for 1843 - an unusually favourable season.63

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<tr>
<th>YEAR</th>
<th>PORT STEPHENS</th>
<th>PEEL</th>
<th>COMBINED FLOCKS</th>
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<tr>
<td>1841</td>
<td></td>
<td></td>
<td>1.88</td>
</tr>
<tr>
<td>1842</td>
<td>1.925</td>
<td></td>
<td>1.93</td>
</tr>
<tr>
<td>1843</td>
<td>2.103</td>
<td></td>
<td>2.13</td>
</tr>
<tr>
<td>1844</td>
<td>1.753</td>
<td>2.155</td>
<td>1.885</td>
</tr>
<tr>
<td>1845</td>
<td>1.75</td>
<td>1.90</td>
<td>1.85</td>
</tr>
<tr>
<td>1846</td>
<td>1.62</td>
<td></td>
<td>1.73</td>
</tr>
</tbody>
</table>

After 1845 attempts had been made to counterbalance this decline. The sheep had been changed by transferring some 10,000 each year between Port Stephens and the Peel. in 1846 4,591 ewes

63 King to Court, 23 November 1847, ibid., pp.1192-94.
were brought to Port Stephens from the Peel: 966 were pure-bred French merinos, the remainder crossbred. They did not fare well and in 1847 no ewes were transferred from the Peel. Instead, 6,000 of the best Port Stephens ewes were sent inland for breeding purposes. This renewed the stock of breeding ewes. Such a change of policy necessitated a greater utilisation of the Liverpool Plains Estate, hitherto occupied by cattle and horses. A portion of the Warrah country would in future carry dry flocks. The more open character of the Warrah country enabled flock sizes to be doubled. In 1848 Richard Denne, Superintendent at the Peel, occupied a portion of the Liverpool Plains Estate with sheep. Two sheep stations were formed - one at Onus Creek and the other at Macdonalds Creek. Wells were sunk at each place to supply water. Subsequently Denne sank another well on Jacks Creek to increase the number of sheep on the grant. Although this expansion met with mixed successes during the 1850's, it presaged the large scale restocking of the Warrah lands after 1860.

By the end of 1848 the sheep department was well on the way to full recovery. A trend toward overall improvement was marked on both the Peel and Port Stephens Estates. A total of 27,183 ewes (10,983 at Port Stephens and 16,200 at Peel River) were put to the ram resulting in the increase of some 25,000 lambs. One more good lambing season would restore sheep numbers to the former muster level. The 1848 shearing yielded a good average clip. 65

Thus, from this detailed review of the development of the sheep department between 1838 and 1848, it is impossible to conclude anything remiss with King's management of the main stock department. He was a conscientious, capable Commissioner who saw the Company's sheep department survive one of the worst decades of recession and drought years which have ever struck the Australian pastoral industry. In the 1840's it was an achievement to have survived at all as a pastoralist. King's managerial skills not

64 Ibid., pp.1194-95.

65 King to Court, 17 August 1848, 78/1/18, pp.184-87; King to Court, 20 November 1848, Ibid., pp.229-30.
only enabled the Company to survive but to recover quickly its strong position after an unusual succession of severe seasons played havoc with stock numbers. If the Company's sheep losses seem large, how do they compare with the losses suffered by other pastoralists?

When King reviewed the general situation since 1841 it supplied little room for comfort. Deducting totals of sheep sold, slaughtered and boiled down, King calculated the decrease in sheep numbers for the year ending 31 December as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>1841</th>
<th>12.25%</th>
<th>1844</th>
<th>8.50%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1842</td>
<td>7.25%</td>
<td>1845</td>
<td>8.50%</td>
</tr>
<tr>
<td></td>
<td>1843</td>
<td>5.25%</td>
<td>1846</td>
<td>13.75%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1847</td>
<td>18.63%</td>
</tr>
</tbody>
</table>

The decrease for 1845 of 8.5% had been well under the colonial average of about 15%. Even the losses sustained during the severe year of 1846 were lower than average. The year 1847 marked the severest losses.

Virtually all pastoralists had losses in excess of 18.6%. The Company never had the experience of catarrh carrying off whole stations of sheep but the presence of catarrh occasionally resulted in monthly losses for other pastoralists as high as 40%. Such losses were not unusual in the colony: in 1847 one squatter's station of 13,000 sheep had lost 7,000; a second of 12,000 had lost 3,000. One of Parker King's own sons lost 1,200 sheep out of a total of 6,000. These losses were not unusual during the 1840's. During 1846, when the Liverpool Plains, Gwydir and New England districts were entirely without rain great losses resulted, especially among the 1845 lambs. Some squatters lost all their stock and few escaped without losing a great proportion. Reports indicated that losses in New England during the severe and unprecedented drought of 1846 and 1847 were upwards of 100,000. Every colonist suffered similar losses. When this distressing drought was followed by an equally destructive wet season at the

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66 King to Court, 31 August 1847, 78/1/18, p.957; King to Court, 3 March 1848, 78/1/19, pp.103-105.
beginning of 1848 losses in the northern districts were heavy. Richard King, one of King's relatives from the Hunter Valley with a squattage in the Gwydir pastoral district experienced severe losses. Some of the largest and shrewdest squatters such as Edward Terrick Hamilton and William Charles Wentworth fared equally badly. The harshness of the wet season had such an effect upon the already debilitated health of the animals that whole flocks were swept off in a few hours. Although we would like precise details of losses there is sufficient evidence in the above statements to indicate that, in general, squatters' loss of sheep during the bad seasons of the 1840's far exceeded at least 20%. This provides further evidence, if it be needed, of the calibre of management on its pastoral estates.  

This point is most important in any balanced assessment of the Company's pastoral operations during King's term of office. The Company's sheep losses were admittedly high but compared with those of squatters in neighbouring districts they were relatively light. The old adage that the thirties made the squatters and the forties broke them has particular relevance in this discussion.

By the end of 1848 the Company was in a strong position to sell wool and stock but the economy of the colony and prices in London did not indicate any marked upswing. New South Wales was in that peculiar stagnant state which would only be radically changed by the re-investment effects of large scale gold discoveries in 1851. Given the current state of colonial affairs there was nothing that King could do except maintain the Company's current position at the minimum possible expense.

67 King to Court, 31 August 1847, 78/1/18, pp.957-61; King to Court, 3 March 1848, 78/1/19, pp.99-100.
68 King to Court, 25 May 1848, ibid., pp.144-45.
70 King to Court, 25 May 1848, 78/1/19, p.158.
The experiences in the sheep department during the 1840's were paralleled in the cattle and stud departments. Severe drought caused King to withdraw most cattle from the Liverpool Plains on three separate occasions. Drought caused the removal of the cattle to Port Stephens first in 1840 and again in early 1843. The enclosure of the Bundobah run by a fence stretching from the Myall River to the Branch River running into the Karuah facilitated the care of these cattle. Even when heavy rains fell on the Plains in mid-1843 King was adamant that cattle would not be returned to the inland area until the former character of the country had been established beyond all doubt. It was not till later in 1843 when the good rains had brought on an abundant and gay display of wild carrots, emu weed and crow's foot, as well as many varieties of flowers, that the cattle were driven back to the Plains. Again in late 1845-early 1846 when the hot summer months parched the Plains, all cattle stock were withdrawn to Port Stephens or to the Peel. By the end of 1848, however, conditions had returned to normal. One side effect of these droughts during the decade was that large numbers of cattle and oxen were boiled down for tallow both at Stroud and at squatter Robert Pringle's boiling down works at Attunga.

During the 1840's marked improvements continued to be made in the cattle department. By 1843 the Company owned more than 1000 high quality cows. A number of high quality bulls, "General", "Ammon", and "Grenville", were imported during this time. "Prince" and "George the Third", bulls which had previously covered cows at the Gloucester and the Avon, were also replaced by imported pure Durham bulls purchased from James Bowman's herd at Ravensworth in the Hunter Valley. In spite of loss of cattle by severe drought and the

71 King to H.T. Ebsworth, 4 October 1841, 78/1/17, pp.8-10; King to Court, 11 October 1841, ibid., p.11; P.G. King to P.P. King, 17 March 1843, ibid., pp.438-42; King to Court, 5 August 1843, ibid., pp.504-505; Gidley King to Parker King, 19 September 1844, ibid., p.907; King to Court, 25 October 1844, ibid., pp.1075-78.

72 King to Court, 19 November 1845, 78/1/18, pp.449-51; King to Court, 9 April 1846, ibid., pp.601-603; King to Court, 12 March 1845, ibid., pp.65-66.
necessity to boil down considerable numbers for tallow, improvement continued to be made in the Company's Durham cattle - the stock which formed the nucleus of the later Warrah shorthorn stud. 73

In a similar way the quality of the horse stud was being constantly improved. During the first years of King's term of office regular numbers of horses were sold both to colonial buyers and to agents of the Indian Government. By 1844 the effects of the prevailing economic depression and drought were such that the latter provided the only market outlet for a number of years. This situation provided one of the most curious side-effects of the depressed economic and pastoral situation: the stud increased so fast that King did not know what to do with the horses. While it was necessary to continue some breeding for the uses of the Company, there was every likelihood that old mares and surplus young stock would accumulate and be comparatively worthless unless they could be sold. The only solution lay in the Indian Government continuing to supply itself with remount horses for its cavalry. The presence of the East India Company's buyers and officers not only provided a constant market outlet but also enabled King to effect important changes in the blood strains of the horses. Captain Parry, Veterinary Surgeon to the East India Company and resident in New South Wales, supplied King with detailed information on the introduction of Arab blood into the stud. This was based on the experience of one of the East India Company's largest breeding studs: the Central. King's hopes of producing good cavalry horses by introducing Arab blood into the horses sired by "Calendar", "Fashion" and their stock, received a considerable boost from this informed advice. In 1848 King exchanged the blood horse "Calendar" with a well bred horse of James Macarthur's. In 1830 Macarthur had obtained from Mr Marjoribanks an imported well bred mare. The horse obtained by King in 1848 was a product of this mare's daughter and "Satellite" - the best Arab stallion introduced into New South Wales between 1788 and 1851. From these introduced

73 P.G. King to P.P. King, 17 March 1843, 78/1/17, pp.438-42; Gidley King to Parker King, 19 September 1844, ibid., p.907; King to Court, 3 March 1848, 78/1/19, pp.114-15.
horses and the careful breeding processes at Alderley the Company constantly improved the quality of its horse stud.\textsuperscript{74}

The combined effects of severe droughts and large scale movements of stock between the coastal and interior grants had a number of other important side-effects during the 1840's. First of all, as a direct result of a policy of retrenchment under the depressed economic situation in 1843, King broke up the Booral agricultural establishment on the alluvial flats of the Karuah River. The Company relinquished its direct involvement in agriculture and replaced it with a system of leasing surveyed lands to tenant farmers. In 1843 the Renwick family, formerly in the employment of the Company, rented some 75 acres of land on condition of clearing more land and supplying the Company with wheat and maize. By 1845 George Darby, one of the Company's surveyors, had completed a detailed survey of the Booral-Stroud area and ascertained what lands were available for renting on clearing leases or indicated land leased or rented under varying schemes to tenants. As early as 1845 there were eight such tenants: James Logan, Thomas Renwick, Thomas Maytem, Thomas Nicholls, William Barnes, James Baxter, D. McCrae and Thomas Courts.\textsuperscript{75}

In a similar way King leased out land on the Liverpool Plains until such time as the Company had the resources to utilize it effectively. In about 1841 he agreed to a request from Edward Hamilton to lease Phillips Creek. In 1845 Hamilton, one of the most prominent squatters in the colony, rented 20 more sections at Liverpool Plains in the Yarramanbah Valley adjoining Phillips Valley. Hamilton's occupation of this land afforded the Company a

\textsuperscript{74} King to Court, 28 January 1845, 78/1/18, pp.20-22, 39-40; King to H.T. Ebsworth, 6 February 1848, ibid., p.42; King to Court, 7 October 1845, ibid., p.42; King to Court, 7 October 1845, ibid., pp.412-16; King to Captain Parry, 25 March 1846, encl. in King to Court, 22 June 1846, ibid., pp.711-12 and encl. Parry to King, 13 April 1846, ibid., pp.713-21; King to Court, 22 June 1846, ibid., pp.679-91; King to Court, 17 August 1848, 78/1/19, pp.190-91.

\textsuperscript{75} King to Court, 20 December 1843, 78/1/17, pp.612-13; References to the Plan of Stroud, encl. in King to Court, 13 May 1845, 78/1/18, pp.177-78.
safe boundary for its own cattle run in Yarramanbah Valley, prevented herds of squatters' cattle passing over Company's lands and hindered Yarramanbah cattle from straggling off their run. In 1845 King also leased a north-eastern section of the land near Warra to John Gill from Bickham near Murrundi. This not only prevented cattle from straying off the Company's run but hindered trespass of cattle from the runs of neighbouring squatters such as Loder and McGeachy.\textsuperscript{76}

The Company's need to facilitate travel over frequented lines of communication and the passage of settlers through its estates to the northern districts led King to search for better routes over the mountain barrier between the coast and the interior. In 1845 Gidley King, Charles Hall and George Darby sought a new route from Gloucester to Nowendoc by attempting to find a route from the junction of the Little Manning and Barnard rivers to the Dividing Range without following up the valley of the Barnard River to Hungry Hill. After unsuccessfully attempting to ascend to the Dividing Range via a gully behind Giro Flat, Gidley King abandoned the attempt. The following year he examined closely the country around the lower reaches of the Nowendoc River. He judged that it would be an impossible task to open a road. He decided instead to re-examine the existing track from Giro up Hungry Hill to Nowendoc - the route which remained in use until the 1960's when the Forestry Commission of New South Wales bulldozed a new track on the Hill. Parker King had always been alert to the need for good lines of communication between settlements. He always hoped to see the road from New England to Port Stephens become an important avenue of communication. This became all the more important with the deterioration of other outlets to coastal harbours. By 1848 the road from New England through Walcha and Mount Seaview was impassable. Port Macquarie, as a consequence, was dwindling into insignificance. The road from the northern ward of New England to the Clarence River had many objectionable features. From the Company's point of view a road.

\textsuperscript{76} King to Court, 12 March 1845, \textit{ibid.}, p.67; King to Court, 22 June 1846, \textit{ibid.}, pp.692-96; King to Court, 19 November 1845, \textit{ibid.}, pp.458-59.
from Walcha to Nowendoc, Gloucester, Stroud and thence to Raymond Terrace or Carrington would provide an outlet from the northern tablelands to the sea and enhance the value of its coastal estates. 77

One must conclude then that the period of P.P. King's Commissionership was far from being a disaster. Not only did he manage the Company's pastoral operations during the difficult period of the 1840's but he managed to effect many improvements in the sheep, cattle and horse departments. His delegation of agricultural farming to tenant farmers was a realistic decision as was his lease of the interior pastoral lands to squatters. His constant concern with establishing better lines of communication reveals his optimistic outlook which persisted during a grim decade of recession and severe seasons. The Company's pastoral experience during the 1840's verifies in detail the general colonial picture of constant difficulty portrayed by Fitzpatrick, Butlin and Abbott. King's basic achievement in the pastoral department lay not only in his ability to nurse the Company through the decade but in being able to restore operations to their accustomed level by the end of 1848.

Why, then, was King dismissed from office in 1849? Both Parker King and Gidley King maintained he was the victim of a cabal in the London Office. 78 Certainly, we have seen nothing in his management of the Company during the period 1839 to 1849 to explain his dismissal. His management of the transition period after the end of transportation, his display of skill over the coal question and his control of pastoral operations have been seen to merit nothing but praise. It would seem, then, that the answer to his dismissal must be sought elsewhere.

77 P.G. King, Memorandum for the Commissioner, 8 September 1845, 78/1/17, pp.1111-17; P.G. King, Memorandum for the Commissioner, 15 September 1846, 78/1/18, pp.773-74; Court to King, 14 April 1848, 1/19/5; King to Court, 17 August 1848, 78/1/19, pp.194-95.

78 P.G. King, "The Australian Agricultural and Peel River Land and Mineral Companies", 120/30/1, p.5.
On 27 November 1848 Phillip Parker King received a letter inviting him to London for a personal consultation on plans for the future disposal of lands. After the Company received its title-deeds in 1847 the Court of Directors considered plans to auction or lease them to smaller pastoralists. During 1848 King suggested various ways of doing this. The Liverpool Plains Estate, he suggested, should be divided into five areas at Phillips Creek, Yarramanbah, Mound, Warrah and Puranvil. The Peel River Grant would be similarly divided into Woolomool, Waldoo and Goonoo Goonoo. On the Port Stephens Estate King recommended a division into Bundobah, Booral, Telligherry, Avon and Gloucester. As part of this project Gidley King began a geological examination and topographical survey of the Port Stephens Estate. Both the Liverpool Plains and Peel River Estates had been extensively surveyed and there was no need for a similar survey in the interior. Gidley King was making marked headway with the survey when his father received his invitation to London.

When King arrived in England in 1849 he found some members of the Court of Directors strongly antagonistic to his management and also to his plans. They had, without a critical analysis of the difficult pastoral conditions of the decade, judged him quite unfairly on the basis of heavy stock losses on the pastoral estates and the lack of good dividends for shareholders. As if this were not enough, these same men had been won to a Utopian immigration plan to be carried out in conjunction with the subdivision of a portion of the coastal lands adjacent to Port Stephens harbour. This plan was being proposed by James Ralfe, the former assistant surveyor to both John Oxley and Thomas Mitchell, who played a dubious role in the events leading up to the dismissal of Robert Dawson. Not only did Ralfe convince the Directors of his project but he even succeeded in convincing them that he should be the colonial organiser of the scheme. Phillip Parker King strongly

79 King to Brownrigg, 27 November 1848, 78/1/19, p.232.
80 King to Court, 19 February 1848, ibid., pp.23-25, 29-87.
81 Ibid., pp.21-22; King to Court, 20 November 1848, ibid., pp.229-30.
opposed Ralfe's scheme. First of all, Ralfe's plan to settle agricultural farmers on 1000 acre blocks adjacent to the harbour was, he thought, fraught with potential disaster. While these lands were well suited to the cattle runs of the Bundobah station, the soil was not suited to the type of agriculture envisaged by Ralfe. He quickly realised there was little chance of the scheme succeeding and opposed Ralfe for this reason. Unfortunately, for King, Ralfe had already succeeded in persuading a sufficient number of Directors to accept his plan. They were predisposed not to accept King's objections because of their awareness of lack of returns from the estates during his term of office. Allegations were also made that Gidley King had been unduly favoured by his father. It was but a short jump from this stage to leveraging King out of office as Commissioner, a move which was successful late in 1849. Subsequent events associated with the arrival of Ralfe's emigrants in 1851 were to prove the correctness of King's opposition. By that stage, however, the Company was on the eve of a new era in its development associated with the discovery of gold in the Peel River within twelve miles of Tamworth. Plans to subdivide the Company's lands, Ralfe's abortive emigration scheme, the gold discoveries of 1851 and the development of competitive coal mining all presaged a new era.

Phillip Parker King's return to England at the beginning of 1849 marked the end of the first era in the history of the Australian Agricultural Company. In spite of the cloud under which his association with the corporation was terminated, subsequent events associated with Ralfe's scheme and the distinguished service for a period of some fifty years by Philip Gidley King, his son, as Superintendent of the associated Peel River Land and Mineral Company more than cleared his name. King returned to New South Wales during 1850 and withdrew to retirement. He was seriously ill in November 1854. In 1855 he was promoted rear-admiral on the retired list. On the evening of 26 February 1856 he walked to his home in North Sydney, where he collapsed at the gate in an apocalyptic fit from which he did not recover. He was buried in Sydney with full naval

82 P.G. King, "The Australian Agricultural and Peel River Land and Mineral Companies", 120/30/1, p.5.
honours after a magnificent funeral procession by boat across Port Jackson — a scene captured for posterity by artist Conrad Martens. When Australian society buried Phillip Parker King it buried a past way of life. Gold discoveries since 1851 and self-government in 1856 were already changing the society and gearing it for the inflow of capital investment after 1860 which would restructure the pastoral and mining industries. By 1860 the old A.A. Company had been reshaped into two corporations. Of these, the Peel River Land and Mineral Company controlled the old Peel River Estate. The new Australian Agricultural Company was emerging as an efficient coal producer on the former Newcastle grant and preparing for a new role as a pastoralist on the Port Stephens and Liverpool Plains Estates. None of these achievements would have been possible without Commissioner Phillip Parker King.

King was the first and for years the only Australian-born man to attain eminence in the world outside the Australian colonies. Although this reputation rests mainly on his achievements in hydrography and scientific work in meteorology, topography and fauna collection the lesser known achievements of the man are important.

83 Article on P.P. King, A.D.B., vol.2, pp.63-64.
SUMMARY AND CONCLUSION

At the beginning of 1826 the estates of the Australian Agricultural Company were little more than a plan in the mind of Robert Dawson. A few bark huts stood in the clearings among the trees at Port Stephens. Twenty five years later, its stock grazed over three large estates at Port Stephens, Peel River and Liverpool Plains and its miners hewed coal at Newcastle. The Company was then restructured into two corporations: the Australian Agricultural Company and the Peel River Land and Mineral Company.¹ How are we to assess the intervening period between 1826 and 1852, or, more especially, up to 1849?

From a shareholder's point of view the picture was reasonably simple: In 1824 the Company was formed with a nominal capital base of £1 million, in ten thousand shares of £100 each. By 31 December 1852 calls on the shareholders to the sum of £30 per share had been made, making a total paid-up capital of £300,000. In addition, £50,000 had been transferred from profits to the capital account. The paid-up value of each share was thus £35, each being still liable

¹ This section recapitulates in a wider perspective many of the specific judgements drawn in former chapters. While there may appear to be repetition this has been consciously done with the aim of drawing together the Company's early period so as to prepare the way for more general conclusions.

In 1853, following the discovery of gold along the Peel River, a daughter company, The Peel River Land and Mineral Company, was formed. The P.R.L. & M.Co. was instituted with a capital of £600,000 divided into 120,000 shares of £5 each. Of this, £500,000 was paid to the A.A. Company for the Peel River Estate, including all buildings and improvements, and £100,000 was reserved for working capital. Of the 120,000 shares, 100,000 were offered to the shareholders of the A.A. Company on the basis of 10 shares for every £100 share they then held in the parent company. Count Strzelecki was elected Chairman and Managing Director of the daughter company. Philip Gidley King, Deputy Superintendent of the A.A. Company, was appointed first Superintendent of the P.R.L. & M.Co., a position he held for some fifty years.

All livestock of the A.A. Company which could not conveniently be carried on the Port Stephens and Liverpool Plains Estates was transferred to the P.R.L. & M.Co. after valuation by Messrs. Laurence V. Duhunty and Donald McIntyre. The flocks were transferred after the clip of September 1853. (Annual Reports, 1853-55.)
to calls totalling £65. In return for this outlay of £30, a total of £16/8/6 in dividends had been distributed in respect of each share.\textsuperscript{2} This was a poor return for an investment of twenty-eight years' standing. In effect, a modern shareholder in Western Mining or Conzinc Riotinto would have had good reason to complain of the small return from his investment.

But is the comparison valid? The Australian Agricultural Company was formed against the background of a strong realisation of the need for developmental capital in New South Wales. Peter Cunningham, Governor Brisbane, John Bigge, Gregory Blaxland and even John Macarthur were clear on this point. This factor has remained a constant reality in Australian economic development and, recently, been the subject of keen debate. But is it fair to apply contemporary criticism to this early period?

These men all realised vividly a point submerged till fairly recently in historical writing, namely, that the development of a pastoral industry geared mainly to the production of fine wool for export rather than to the growth of mutton for domestic consumption or sheep for sale to new graziers presupposes a reserve of capital which, when invested, will take a long time before it returns large dividends.\textsuperscript{3} Few, if any, pastoralists in New South Wales prior to the formation of the Australian Agricultural Company, were in a position to command the capital necessary to establish themselves as commercial producers of fine wool.

The background to the formation of the Company, the initial reception afforded it by pastoralists, even if exclusives, in the colony and the progress made by the corporation during its formative years leave little doubt that it filled a clear gap in the economic development of a colony emerging from the status of a


prison to a capitalist economy geared mainly to a productive rural industry.

It is doubtful whether these pastoralists realised the extent to which such a corporation would impinge upon their own interests. Given the distance factor affecting shipping and communications between New South Wales and England in the 1820's there was a limit to the number of sheep, cattle and horses the Company could import. It had little choice but to implement its plan of buying heavily on the local market - a situation which seems most certainly to have caused an inflationary rise in prices but, at the same time, led to a definite exploitation of the Company by many of those who sold stock to it. Rather than take up a moral position on this question it is far more sensible to see in this event the difficulties involved in establishing on a secure footing the industry which in the second half of the nineteenth century was to play an important role in Australian economic life. Every generation, like Cromwell, has its warts and it ill-behooves any of us to sit in judgement on our predecessors who, if in many actions displayed a degree of ruthlessness, which we find hard to accept nevertheless began the arduous, and often thankless, task of exploring, settling and developing for agriculture and pastoralism the former domain of the Aboriginal.

There can be little doubt that the entry of the Australian Agricultural Company into the Australian pastoral and mining industries, marking the first real interest of City of London finance in Australian resources, introduced a decidedly conservative dimension into colonial society. This is one aspect of the keen reception afforded it by the executive, judicial and emerging legislative arms of government as well as by the exclusives social faction. They all saw it as an ally in the fight against the radicalism and increasingly powerful role of the emancipist class. The conservative role of big pastoral interests in Australian economic, social and political life was being established during this period and, even if the fullest realisation of this interest

\[4\] N.G. Butlin, _op.cit._, pp.4-5.
did not emerge till the twentieth century, the economic and social outlook of the pastoral class found outlets for the expression of its interests at this earlier time.

Sol Encel, in writing of a later period of Australian history, has noted that large woolgrowers are strongly opposed to government intervention in their affairs, and their support breeds a generally conservative outlook on politics. Although it is difficult to pinpoint this attitude with much precision during the Dawson period the elements of a link between corporate capitalism and family capitalism were being laid. The exclusives were nothing if not a developing interlocking group of family interests. Their concern with the rising articulateness of the emancipist class under Wentworth and Wardell was expressed in their attempt late in 1825 to establish a conservative journal to offset the Australian. Although this venture did not succeed Robert Dawson was quickly sought by the exclusives as a shareholder in the proposed paper.

This development of conservatism was more clearly apparent in the following years when Parry forged a very close link between Anglican church and school institutions and the Company's estates. It was this link which both Dumaresq and, especially, Phillip Parker King found so congenial. While the full development of this link was not seen till the post 1849 period with the active founding of churches and chapels at West Tamworth and Goonoo Goonoo under Bishop Tyrrell of Newcastle it is nevertheless an important component in the unofficial link between church and pastoral establishment which has existed in New South Wales. It is also worth noting that both William Macquarie Cowper, chaplain at Stroud from 1836 to 1856, and Robert Lethbridge King, had close associations with Moore Theological College within the grounds of the University of Sydney. This college has traditionally been regarded as a focus for evangelical Anglicanism. In one sense, the estates of the Company provided a haven for Anglicanism between the pastoral Presbyterianism of sections of the upper Hunter Valley and associated

5 S. Encel, op.cit., p.316.
6 Committee to Court, 19 November 1825, 78/1/1, p.99; Committee to Court, 18 February 1826, ibid., pp.171-72.
links to the north in New England.\textsuperscript{7}

To lay too much emphasis on the lack of returns to shareholders during this period is to fly in the face of the economic realities. William Charles Wentworth, a man who more than any other embodied the values and struggles of the period survived the far-reaching depressions of the late twenties and the forties as did others such as Henry Dangar and the sons of James White, who had cautiously not over-extended their resources before the crash, and brought his abilities to bear against the problems of the new era that commenced after 1851.\textsuperscript{8} To have survived the perilous decades of the forties - a decade that rivals, if it does not surpass proportionately, the difficulties of the 1890's and the 1930's - was in itself an achievement. That the Company not only survived but also consolidated its position while awaiting the arrival of the new era is also a feat worthy of commendation.

The traditional view of faulty and incompetent management amongst the upper echelons of the Company's administrative personnel has been subjected to constant correction within the body of this thesis. While not playing down the difficulties of a relatively short period during the Dawson years we have set in perspective the positive achievements of the Company's first Agent. It may not be too much to claim that Robert Dawson is one of the underestimated men in early Australian pastoralism. If his career with the Company was eclipsed by ruthless political expediency his qualities certainly endured in many of his descendants.\textsuperscript{9} Sir Edward Parry was able to consolidate Dawson's achievements and prepare the way for the Company's future greatness. Parry possessed the clarity of mind to

\textsuperscript{7} D.N. Jeans, \textit{op.cit.}, p.119.

\textsuperscript{8} J. Griffin, (ed.), \textit{op.cit.}, p.106.

\textsuperscript{9} For example, Robert Barrington Dawson and Robert Leycester Dawson. For the account of these two men see article by L.T. Daley on Robert Barrington Dawson in \textit{A.D.R.}, vol.4, p.36 and L.T. Daley, \textit{op.cit.}, pp.101, 152.
see beyond the initial errors of policy and judgement. He established a system of authority and administration whereby a single, competent Commissioner, with executive authority, was placed between the policy decisions of the London Court of Directors and their successful implementation through an efficient chain of management and command. The management question did not remain till new issues during the 1850's demanded a change of structure. 10

By relying on the accumulated experience of officers such as the Ebsworths, Halls, Croasdill, Henderson, Jenkin and others, Parry solved major problems hindering progress. He achieved this within the wider background of spreading the rudiments of civilisation: schools, churches, savings bank, post office, police establishments, incentive wages, and the development of a strong sense of loyalty to the corporation. The major problems still required strong initiative. Reliance on the proven value in England of water carriage had resulted in the first settlement at Carrington. Parry's initial inclination to hug the coastline even after the successful penetration to the interior during 1831 revealed a tendency to remain within the old patterns inherited from English practice. The judgement of Henry Dangar indicated the path for future progress: adapt to the new environment. His policy would be more fully adopted after 1860.

Later problems were political. Progress depended on breaking free from the mould of colonial government policy over the inland selections, coal prices and police. By the beginning of 1834 these problems had been solved. The labour question then emerged to assume an increasing importance.

Dumaresq successfully developed lines of communication between the coast and the interior. He attempted to solve the labour problem. While maintaining the independence of the corporation Dumaresq fought to obtain the Company's chartered rights. Inevitably, this took place

against the background of increasing colonial prosperity and general scarcity of skilled labour. Dumaresq's defence of incentive payments for convict miners and his encouragement of the work of the Rev. William Macquarie Cowper furthered the civilising work of the corporation. Except for the year 1837 labour shortages substantially hindered stock expansion, land clearance, coal production and building operations. In spite of this Dumaresq extended operations into the northern sector of the coastal grant, developed stations in the interior and established the pattern of co-ordinated land use of the coastal and interior grants.

Phillip Parker King faced the great transition from assigned to free labour as the new problems arising from a depressed economy, adverse seasons, genetic deterioration of stock and litigation against the coal privileges made inroads on progress. Labour shortage continued to bedevil pastoral and mining operations - by then essentially connected - but was subsumed within the wider background of economic depression and general stagnation. In spite of such odds management remained on an efficient and proven course. Major problems depended for their solution on changes in Government policy or fresh initiative from the London Court of Directors. The large scale mining of gold after 1851 led, after 1860, to a restructuring of the Australian economy which, in turn, led to a substantial and more intensive type of land use than was possible up till 1849.\footnote{N.G. Butlin, \textit{op.cit.}, pp.4-5.}

The Company was fortunate with its officers and overseers. James Ebsworth, in particular, stands out for his ability to assume chief executive office on three separate occasions - after the Macarthur interregnum, after Dumaresq's sudden death and after King's departure for England. There can be little doubt that this dependable and competent lieutenant provided an element of continuity during this period which featured as one of the chief successes in the management system. Superintendents such as Charles Hall who cared for the flocks department during the entire period after 1828, George Jenkin, Henry Hall and Edward Robins, all exemplified the
high level of confidence and achievement reached during the Parry period and maintained afterwards.

Many of the tenant farmers who tilled the soil and cleared the bush around Stroud reached levels of expertise during their period of indenture which enabled them to set up on independent farms, but also working in conjunction with the Company which largely vacated the field of agriculture and concentrated on pastoralism and coal mining.

It is, unfortunately, not possible to glean much from the surviving records about the large mass of labourers, shepherds and artisans whose labour made possible the progress of the Company, Attempts to locate the Stroud and Gloucester bench books proved fruitless and it is to be regretted that so much of the human side of the day to day life of the Company must, pending the possible recovery of relevant records, remain untold. Like a similar story of Ogilvie's Vulgilar on the Clarence\(^\text{12}\) it would undoubtedly tell a vivid story of the human agony and squalor, the mountains of suffering, material hardship and the cultural semi-desert which were the prices paid to begin the Australian pastoral industry.\(^\text{13}\) At the same time, it is possible it might tell a different story: the surviving library of the Company in the Stroud School of Arts embraces a wide collection of books many of which, of course, betray the moral and paternalistic concern of evangelical England for the working classes.\(^\text{14}\)

The only indication of union activity, as we have seen, was shown on the Newcastle coal field which, during the 1840's was to grow in a way which made possible the development of the important Coalminers Union of New South Wales. On the whole, King's management emerges reasonably well from the three encounters between miners


\(^{13}\) Adapted from C.M.H. Clark, *Select Documents in Australian History* 1851–1900, Sydney, 1968 [First published 1955], p.94.

\(^{14}\) A.N.U.B.A. Reference File 3C.
and employers during the period. The bitter conflicts which were to lose Australia most of its export trade in coal were still far in the future. The scattered and largely permanent location of the pastoral workers around different stations and huts probably hindered the development of unionism on the estates at this early period. The factors of communication and dual activity in both pastoralism and coal mining which were to make Jesse Gregson such a key figure in the maritime and shearers' strikes of 1890-91 had not emerged during this period.\textsuperscript{15} Comments about wages and working conditions during the period under discussion seem, as we have seen, to have been fair. It was more the isolated nature of the estates and the desire of ticket of leave men to leave a familiar surrounding which induced the fluid work force than the wages and work conditions.

Are these conclusions little more than an attempt to whitewash the Company's activities during this period? I have been arguing a contrary case and suggesting, by implication, that Australians' later concern over lack of national equity in overseas investment and, more latterly, opposition to the operations of multi-national corporations, may have led them to lose sight of historical perspective and to forget the very real developmental role played by such companies in various fields of enterprise at different times. On the whole, it is difficult to disagree with M.H. Ellis when, writing in 1932, he stated "The Australian Agricultural Company record has been a great one, it seems a pity that national policy has made it impossible for institutions of this kind backed by enormous sums of English capital to operate 'in the far and scarcely peopled North of Australia as they did in the old days in New South Wales".\textsuperscript{16} There was definitely a place for such a corporation in the eastern and central divisions of New South Wales at least up to the 1870's just as there was for a similar type of corporation in


\textsuperscript{16} M.H. Ellis, \textit{The Beef Shorthorn in Australia}, Sydney, 1932, p.35.
Northern Australia during the 1930's. If the change in Australia's economic structure following the heavy industrialisation of the post-World War II era has now enabled Australians to think of buying back control of many enterprises such as the Australian Agricultural Company it is also worth remembering that they, as a people, have so far shown a reluctance to do so in the only real way feasible.\(^{17}\)

Overseas based pastoral companies, and their role, have always been a fertile source of controversy about the actions of overseas capital in plundering the agricultural wealth of Australia.\(^{18}\) A similar criticism is levelled at mining companies. The current debate on the issue of overseas investment is basically an indicator of increasing national consciousness and follows some years behind a similar debate in Canada.\(^{19}\) It is important for the historian to provide the proper background perspective to this debate and to remind his reader that factors applicable to Australia in the 1970's did not necessarily assume the same priority between 1824 and 1849.

It is also possible to draw from the early period general ideas relevant to the modern debate. Government policy and supervision played a strong role in the Company's activities during these years. During the time of its existence as a chartered company it functioned as a semi-governamental instrumentality. In practice, it was not till after 1853 that the Company operated as a proper business corporation. Once again, the historian can remind twentieth century critics of overseas investment that their judgements must relate to the failure or reluctance of government to impose on overseas companies conditions similar to those which limited the Australian Agricultural Company between 1824 and 1849 and caused it to function as a developmental corporation.

Informed observers at that time clearly argued the case for developmental capital as well as pastoral and mining skills of the

\(^{17}\) *Australian*, 7 December 1972, p.1.

\(^{18}\) S. Encel, *op.cit.*, p.308.

type provided by the Australian Agricultural Company. The only way in which to understand the small returns made by the Company during the twenty years under investigation is to see its role as a developmental corporation. For the bulk of the period its management structure was sound and it provided a very real service to the colony in developing both the pastoral and mining industries.

The Company's achievements in the pastoral industry were impressive even by present day standards. It played a major role in exploring, surveying, settling and clearing in a responsible manner a large portion of Northern New South Wales for pastoralism. This, in turn, helped to push forward the frontiers of settlement into New England, the Gwydir and the Namoi. The dual role of its conservatism and responsible manner of operating imposed upon it a respect for the defensible rights of other persons. While it is admitted smaller settlers had squatted on lands at Liverpool Plains and the Peel Valley, ultimately possessed by the Company, we have seen that it did not forcibly evict these settlers but operated within the terms of colonial legislation, even at a time when official indecisiveness about the land title of squatters might have tempted less responsible persons to act in a contrary manner. The Company's conservative concern with law and order was evidenced both in Parry's negotiations on police establishments on estates within the nineteen counties and King's agreement with George Jenkin to act as magistrate outside the Limits of Location.

There is evidence of only one murder of Aborigines by Company employees during this period - at Belbora near the Manning. In this incident shepherds are traditionally understood to have used poison flour to rid an area of mischievous Aborigines. While one is not trying to claim that the Company's officers and employees between 1824 and 1849 showed the degree of sympathy with and understanding of Aboriginal culture of an A.P. Elkin or a Norman Tindale it is worth remembering that Robert Dawson and Phillip Parker King

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have been singled out as exceptional for their understanding of the Aboriginals.\textsuperscript{21} This official concern at the highest levels of the Company's management seems to have been administered in a practical way by men such as Parry and Dumaresq in ensuring that European and Aboriginals maintained a healthy respect for each other's customs. At the level where the contact was usually made - by the shepherds at the out-stations - there is evidence that the relationship between black and white was usually cosy rather than antagonistic. Deas Thomson complained of Aboriginal women and Company shepherds cohabiting on the Company's Estates.\textsuperscript{22} There is little other direct evidence except an annual feast at Port Stephens,\textsuperscript{23} and the retention of Aboriginal place-names and this, as we have seen, was a conscious policy decision originally implemented by Dawson. In general, it appears that the Company, like Alexander Berry on the Shoalhaven,\textsuperscript{24} provides us with examples of culture contact contrasting with the grimmer picture epitomised by the Myall Creek Massacre of 1838.

The Company's greatest pastoral achievements during this period lay in stock-breeding. Its experiments with high quality sheep, cattle and horses gave it a place of prominence in the colony.

There can be little doubt that it also provided an initial training ground for many men who played important roles as individuals in the pastoral development of the north: names such as


\textsuperscript{22} Hargrave to Ebsworth, 28 June 1838, 78/1/16, p.61; Ebsworth to Col. Sec., 7 July 1838, ibid., pp.62-63. Cf. H.R.A., S.1, vol.XIX, pp.747-48; J. Ebsworth to H.T. Ebsworth, 9 July 1838, 78/1/16, pp.65-67; King to Court, 10 October 1839, ibid., p.254; King to Court, 22 July 1839, ibid., pp.194-95.

\textsuperscript{23} D.N. Jeans, op.cit., p.70.

\textsuperscript{24} C.D. Rowley, The Destruction of Aboriginal Society, Harmondsworth, 1972, p.29.
Stations of the Australian Agricultural Company
Thomas Hewitt, Walter Hindmarsh, Henry Dangar, William Telfer, James White, James Charles White and Charles Hall, are all honoured in the pastoral story of the north. There are undoubtedly numerous other names, such as Hannaford, Swayne, Jenkin, which are harder to document from surviving evidence and which would need to be recovered from the oral evidence of descendants.

All of these factors testify to the positive role played in the emerging pastoral industry by the corporation.

On the Newcastle coal field the A.A. Company is still remembered in an area where coal tenders, watering facilities for steam engines and street names in the urban area provide the only concrete evidence of former years. At a time when the capital and labour intensive nature of the industry demanded, at least for a time, the existence of a company such as the A.A. Company the corporation performed a very positive role: it established pits and shafts to replace primitive diggings, introduced steam driven machinery, facilitated the removal of the coal from pit to staith, and provided good accommodation for miners. The mines had been taken over in a commercially unworkable state and re-established, on a new site, at considerable expense with modern steam plant and methods under a skilled and experienced manager. Under government insistence they had carried on during the 1830's when there was little trade, all export being organised from Sydney, a port more than sixty miles by sea from the source of production. The Company worked with inefficient convict labour and in the forties, paid a generous wage to large numbers of immigrant miners who taught the art of coal mining to the ancestors of many persons still in the industry. Its monopoly privileges, granted to offset early failure and entailing commercially unviable obligations, availed it but little and were surrendered in a realistic way. It is important to remember these contributions because the post 1849 era on the Newcastle coal field was completely changed by the introduction of steam transport by land and a sizeable

coal export industry. These factors introduced the expanding market which made competitive mining a commercial proposition.

My essential conclusion remains: there was a place for a corporation such as the Australian Agricultural Company in both the pastoral and coal mining industries of New South Wales in the second quarter of the nineteenth century. It performed a very important developmental role and controversy about its operations must retain a sense of historical perspective anchored in the realities of Australian land settlement, climate, market conditions and equity ownership ambition.

The subsequent history of the Company can be briefly sketched. The Company played a major role on the Newcastle and Greta coal fields in the nineteenth century but withdrew from the industry during the first two decades of the twentieth century. The Company sold its Peel Estate to the associated Peel River Land and Mineral Company in 1853 and continued pastoral operations in the Port Stephens-Gloucester region till 1903 when most of the land was sold to the Gloucester Estates Syndicate. After 1860 the Warrah lands on Liverpool Plains were developed into one of the most important sheep and cattle stations in the colony. Between 1911 and the end of the Great War it purchased four Queensland stations: Corona, Headingly, Bladensburg and Highfields. It gradually extended operations into Queensland as closer settlement and soldier settlement legislation broke up its earlier holdings. Today it owns or leases some of the most famous properties of Northern Australia such as the Durack lands of Newry, Argyle and Auvergne in the Kimberleys, and Wrotham Park, one of the largest properties in the Gulf Country. Its most recent interests extend into the Esperance region of Western Australia.

The Company's possession of these lands is a factor in the

26 M.H. Ellis, A Saga of Coal, pp.39-41.

increasing tempo of the debate about overseas investment and has 
merited comments in financial circles at least twice in the last ten 
years. Although activity in the sheep and wool industries has been 
dominated since 1962 by Dalgety-New Zealand Loan, Elder Smith Golds-
borough Mort, Australian Mercantile Land and Finance Co., and the 
Australian Estates Co., the Australian Agricultural Company is 
still an important factor in the industry as exemplified by the 1972 
appointment of its General Superintendent as a director of the 
Queensland Primary Producers Co-operative Association. For the 
immediate future, it seems that Australian land ownership will 
continue to be a mixture, as in the past, of family capitalism 
and corporate capitalism, interwoven by a web of personal and 
institutional linkages. The Australian Agricultural Company 
has played the longest role in this field and the varying advantages 
of this to Australian society need to be judged against the economic, 
social and political realities of each generation.

28 "Vindication For An Old Investment", S.M.H., 6 March 1964, p.14; 

29 S. Encel, op.cit., p.310.

30 Australian, 6 June 1972, p.7B.

31 S. Encel, op.cit., p.314.
## APPENDIX A

### COAL SALES FIGURES

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1827</td>
<td>4,042</td>
<td></td>
</tr>
<tr>
<td>1828</td>
<td>3,751</td>
<td></td>
</tr>
<tr>
<td>1829</td>
<td>2,406</td>
<td></td>
</tr>
<tr>
<td>1830</td>
<td>3,833</td>
<td></td>
</tr>
<tr>
<td>1831 Jan. to Aug.</td>
<td>2,750</td>
<td>Total: 1827 to 31 August 1831 - 15,782 tons</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 September - 31 December 1831</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sept. to Dec. 903</td>
</tr>
<tr>
<td>1832</td>
<td>6,240</td>
<td></td>
</tr>
<tr>
<td>1833</td>
<td>6,812</td>
<td></td>
</tr>
<tr>
<td>1834</td>
<td>8,491</td>
<td></td>
</tr>
<tr>
<td>1835</td>
<td>12,392</td>
<td></td>
</tr>
<tr>
<td>1836</td>
<td>12,646</td>
<td></td>
</tr>
<tr>
<td>1837</td>
<td>16,083</td>
<td></td>
</tr>
<tr>
<td>1838</td>
<td>17,220</td>
<td></td>
</tr>
<tr>
<td>1839</td>
<td>21,283</td>
<td></td>
</tr>
<tr>
<td>1840</td>
<td>30,555</td>
<td></td>
</tr>
<tr>
<td>1841</td>
<td>31,956</td>
<td></td>
</tr>
<tr>
<td>1842</td>
<td>35,140</td>
<td></td>
</tr>
<tr>
<td>1843</td>
<td>26,050</td>
<td></td>
</tr>
<tr>
<td>1844</td>
<td>23,504</td>
<td></td>
</tr>
<tr>
<td>1845</td>
<td>23,272</td>
<td></td>
</tr>
<tr>
<td>1846</td>
<td>33,979</td>
<td></td>
</tr>
<tr>
<td>1847</td>
<td>38,122</td>
<td></td>
</tr>
<tr>
<td>1848</td>
<td>34,381</td>
<td></td>
</tr>
<tr>
<td>1849</td>
<td>33,390</td>
<td></td>
</tr>
<tr>
<td>1850</td>
<td>45,084</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>457,503</strong></td>
<td>26 September 1831 to 31 December 1850</td>
</tr>
</tbody>
</table>

Sources: Annual Reports; Return of the quantity of Newcastle Coals in tons consumed and disposed of by His Majesty's Government and the Australian Agricultural Company 1827 - 1831, encl. in Parry to Court, 6 February 1832, 78/1/12, p.549.
APPENDIX B

SHEEP IMPORTS 1825 - 1829

Statement of Sheep shipped in Europe by the A.A. Company for their estates in New South Wales showing the casualties on board ship, and the total numbers landed in the colony to July 1829

<table>
<thead>
<tr>
<th>Date of Arrival</th>
<th>Ship</th>
<th>Saxon Rams</th>
<th>French Merino Rams</th>
<th>Anglo Merino Rams</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 1825</td>
<td>York</td>
<td>15</td>
<td>313</td>
<td>12</td>
</tr>
<tr>
<td>November 1825</td>
<td>Brothers</td>
<td>15</td>
<td>204</td>
<td>167</td>
</tr>
<tr>
<td>March 1826</td>
<td>Prince</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regent</td>
<td>25</td>
<td>218</td>
<td>79</td>
</tr>
<tr>
<td>July 1826</td>
<td>Fairfield</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 1827</td>
<td>Australia</td>
<td>15</td>
<td>206</td>
<td></td>
</tr>
<tr>
<td>October 1827</td>
<td>Waterloo</td>
<td>20</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td>November 1827</td>
<td>Marquis</td>
<td></td>
<td>9</td>
<td>283</td>
</tr>
<tr>
<td></td>
<td>of Anglesey</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>November 1827</td>
<td>Frederick</td>
<td>9</td>
<td>327</td>
<td></td>
</tr>
</tbody>
</table>

|                |            | 60         | 704                | 48                |

Lambs born on board & landed in the colony

<table>
<thead>
<tr>
<th>Ship</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td></td>
</tr>
<tr>
<td>Prince</td>
<td>9</td>
</tr>
<tr>
<td>Regent</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>34</td>
</tr>
</tbody>
</table>

|                | 60 |
|                | 704|
|                | 43 |
|                | 48 |
|                | 1206|
|                | 4  |
|                | 179|

Casualties on the voyage

<table>
<thead>
<tr>
<th>Ship</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td></td>
</tr>
<tr>
<td>Brothers</td>
<td>11</td>
</tr>
<tr>
<td>Prince</td>
<td></td>
</tr>
<tr>
<td>Regent</td>
<td>7</td>
</tr>
<tr>
<td>Fairfield</td>
<td>35</td>
</tr>
<tr>
<td>Australia</td>
<td>22</td>
</tr>
<tr>
<td>Waterloo</td>
<td>4</td>
</tr>
<tr>
<td>Marquis of</td>
<td></td>
</tr>
<tr>
<td>Anglesey</td>
<td>12</td>
</tr>
<tr>
<td>Frederick</td>
<td>8</td>
</tr>
</tbody>
</table>

|               |   |
|               | 1 |
|               | 13|
| Total         | 9 |
| Casualties    | 51|

|               | 1 |
|               | 61|

Shipped & born on board

|                | 60 |
|                | 704|
|                | 43 |
|                | 48 |
|                | 1206|
|                | 4  |
|                | 179|

Deduct casualties

|                | 9  |
|                | 51 |
|                | 1  |
|                | 61 |

Landed in the colony

|                | 51 |
|                | 653|
|                | 43 |
|                | 47 |
|                | 1145|
|                | 4  |
|                | 179|

TOTAL 2122

Source: 78/9/1, pp.348-49
## APPENDIX C

### STOCK PURCHASES 1826 - 1828

(1) SHEEP

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Of Whom Purchased</th>
<th>Description and Number of the Animals</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1826</td>
<td>February</td>
<td>John Macarthur</td>
<td>129 v.d.l.</td>
<td>£ 167.14.0</td>
</tr>
<tr>
<td></td>
<td>March</td>
<td>Geo. Bunn</td>
<td>130</td>
<td>£ 253.10.0</td>
</tr>
<tr>
<td></td>
<td>April</td>
<td>Geo. Townsendh</td>
<td>90</td>
<td>£ 187.4.0</td>
</tr>
<tr>
<td></td>
<td>May</td>
<td>John Macarthur</td>
<td>20</td>
<td>£ 26.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Henry Brookes</td>
<td>100</td>
<td>£ 260.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Thomas Dangar</td>
<td>50</td>
<td>£ 65.0.0</td>
</tr>
<tr>
<td></td>
<td>June</td>
<td>Major H.C. Antill</td>
<td>130</td>
<td>£ 260.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Charles Hook</td>
<td>35</td>
<td>£ 119.3.4</td>
</tr>
<tr>
<td></td>
<td>August</td>
<td>Alexander McLeod</td>
<td>80</td>
<td>£ 100.0.0</td>
</tr>
<tr>
<td></td>
<td>September</td>
<td>Charles Hook</td>
<td>50</td>
<td>£ 119.3.4</td>
</tr>
<tr>
<td></td>
<td>October</td>
<td>O'Brien &amp; Browne</td>
<td>122</td>
<td>£ 366.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>R.H. Browne</td>
<td>10</td>
<td>£ 12.10.0</td>
</tr>
<tr>
<td></td>
<td>November</td>
<td>T. Nowland</td>
<td>150</td>
<td>£ 600.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>T.M. Winder</td>
<td>550</td>
<td>£ 2300.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>James Bowman</td>
<td>300</td>
<td>£ 1260.0.0</td>
</tr>
<tr>
<td></td>
<td>December</td>
<td>Philip Thorley</td>
<td>280</td>
<td>£ 560.0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£ 289,1457,417,656.4.8</td>
</tr>
</tbody>
</table>

| 1827 | January    | John Macarthur             | 10                                     | £ 160.0.0 |
|      |            | John Macarthur             | 15                                     | £ 4012.10.0 |
|      |            | Hannibal Macarthur         | 600                                    | £ 2400.0.0 |
|      | February   | James Bowman               | 140                                    | £ 700.0.0 |
|      | March      | John Macarthur             | 20                                     | £ 26.0.0 |
|      |            | William Balcombe           | 300                                    | £ 1234.16.0 |
|      |            | H.G. Douglass              | 740                                    | £ 2871.15.0 |
|      | June       | David Reid                 | 88                                     | £ 224.8.0 |
|      | July       | Philip Thorley             | 157                                    | £ 247.10.0 |
|      |            | E. Close                   | 177                                    | £ 531.0.0 |
|      |            | Alexander McLeod           | 125                                    | £ 437.10.0 |
|      |            | Alexander McLeod           | 160                                    | £ 240.0.0 |
|      |            | G. Forbes                  | 160                                    | £ 640.0.0 |
|      | August     | T.H. Hawkins               | 195                                    | £ 734.10.0 |
|      |            | Thomas Iceley              | 50                                     | £ 3855.2.0 |
|      |            | George Rankin              | 350                                    | £ 1470.0.0 |
|      | September  | Geo. Bunn (for Kirkham Estate) | 332 | £ 1427.10.0 |
|      |            | Sam1 M arsdan              | 309                                    | £ 1236.0.0 |
|      | October    | Hannibal Macarthur         | 604                                    | £ 2460.0.0 |
|      | November   | William Howe               | 100                                    | £ 450.0.0 |
|      |            | John Coghill               | 6                                      | £ 8.10.0 |
|      |            |                           |                                       | £ 10,408,5883,52,25367.1.0 |
### Appendix C (contd.)

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<th>Month</th>
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<th>Wethers</th>
<th>Ewes</th>
<th>Lambs</th>
<th>£</th>
<th>s</th>
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<td>7840</td>
<td>469</td>
<td>3257.18.9</td>
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Source: 78/1/9, p.290.

### (2) Horses

- 3 Stallions
- 27 Geldings
- 69 Mares
- 9 Male Colts
- 11 Female Colts
- 17 Foals

Total Cost: £5,572.19.3

### (3) Cattle

- 9 Bulls
- 1076 Bullocks and Steers
- 710 Cows and Heifers
- 127 Male & Female Calves

Total Cost: £13,662.6.9

Source: 78/1/9, p.290.
### APPENDIX D

#### ANNUAL STOCK TALLIES

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<tr>
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Source: Annual Reports

Abbreviations:
- C: Cattle
- H: Horses
- S: Sheep
APPENDIX E

TOTAL ANNUAL CLIP

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<td></td>
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<tr>
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Source: Annual Reports.
APPENDIX F

DIVIDENDS

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SUMMARY 1824 - 49 (26 years)

No dividend on 14 occasions
10/-  2
15/-  5
20/-  3
30/-  1
35/-  2

Total dividend over period £12/15/-

Total dividend 1824 to 31 December 1852 £16/8/6 for paid up capital of £30 on each share

Source: Annual Reports
APPENDIX G

TOTAL NUMBER OF PERSONS ON COMPANY ESTATES
31 DECEMBER EACH YEAR, EXCLUSIVE OF WOMEN
AND CHILDREN

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Source: Annual Reports; Appendix D in Report from the Select Committee on Coal Inquiry 1847.

Abbreviations: AE : Agricultural Estate.
C : Colliery.
APPENDIX H

1834 SURVEYS

(1) LIVERPOOL PLAINS GRANT

The two surveyors James Ralfe and John Armstrong arrived at Warrah on Christmas Day and began work two days later. After fixing the northern boundary line at a point 3 miles and 8 chains due north of squatter Thomas Parnell's hut, they marked out the eastern section of the northern boundary to a point 4 miles from the stake. This line crossed both Borambil Creek and the road to Peels River. Southward of this road lay a squatting station belonging to Loder. After this, they marked out the remainder of the northern line to a point southeast of Dimby Downs. They then carried the boundary south over Omaleah Creek to a point approximately 2 miles east of Black Mountain. The line was then carried east from the southwest corner, past Mount Parry, over the brooks and steep ridges 30 miles. After placing a stake in a gully surrounded by very rocky and precipitous land, they returned to Warrah with Colonel Dumasresq on Saturday, 11 January. Two days later, Armstrong and Ralfe returned to their survey line on the northern boundary which they carried east, across Colly Creek, another 2 miles and 48 chains. From this northeast corner the line was carried south 13 miles over the range and into the deep, precipitous gully marking the source of the Page. The two surveyors then ascended to a rocky section of the ravine at the head of Warrah Brook and slightly north of Murrurundi. At this point, they closed their work within the boundaries of the colony. Ralfe to Surveyor-General, 28 December 1833, A.O.N.S.W. 2/1569.1; J. Armstrong, Journal during a Survey of the two locations selected by the Australian Agricultural Company, at Liverpool Plains and Peels River, encl. in Dumasresq to Court, 7 March 1835, 78/1/15, p.273-1-11.

(2) PEEL RIVER GRANT

Not being certain about the identity of Mount Duri Ralfe and Armstrong proceeded further north to Brown's station at Wooloomool. They then went down the Peel but the low country prevented them carrying the first line south to Duri. To determine the position of Duri they travelled back over the Peel to the limestone ranges around Sulcor. After taking a fix on Duri Armstrong and Ralfe carried a line from the south bank of the Peel a few miles upstream from Bective due south across the undulating country to Tangaratta Creek and Duri. On the steep and precipitous side of Duri they turned the line east across its northern mound and over the track from Waldoo to Quirindi. On a grassy flat 10 miles from Duri they placed a corner peg and turned south across the branches of Goono Goonoo Creek till they struck the range dividing the Peel and Mooki water systems. After fixing their corner on the range between Emblem and Sugarloaf they carried the line four and a half miles east to Mocurumboon and thence south past Tamerang Mountain whence they turned the line east to the Peel. After passing north of Snowden Mountain and below the present day road from The Ranch across Middlebrook Creek to Hillview the boundary struck the Peel slightly below its sharp turn southeast parallel to the present road to River Head and Ben Halls Gap in the Mount Royal Range; ibid., p.273-11-17; J. Armstrong, Description of the Lands Granted to the Australian Agricultural Company, 31 March 1834; encl. in Dumasresq to Court, 8 February 1835, ibid., p.239.
SELECT BIBLIOGRAPHY

CONTENTS

AUSTRALIAN AGRICULTURAL COMPANY ARCHIVES
AUSTRALIAN AGRICULTURAL COMPANY PUBLICATIONS
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LATER SECONDARY WORKS
ARTICLES
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OFFICIAL PUBLICATIONS

AUSTRALIAN AGRICULTURAL COMPANY ARCHIVES

The following notes refer to the deposits of the Company's records held in the Business Archives, Research School of Social Sciences, Australian National University. The following notes will refer primarily to those records pertaining to the period 1824 - 1849. The reader is referred to the Series Lists (A.N.U.B.A.) as well as to the Guide to Collections of Manuscripts Relating to Australia for details of the records outside this period. For an account of the collection of the Company's records by the Business Archives, the reader is referred to J.F. Atchison, "Archives of a Joint-Stock Company; the Australian Agricultural Company; its system of administration and its records, 1824-1970", Archives and Manuscripts, vol.4, no.3, November 1970, pp.21-32.
DEPOSIT 1.

The foundation collection consists of 370 linear feet of records collected in 1955 by N.G. Butlin from the former Australian office in Wharf Road, Newcastle, N.S.W. The bulk of this collection pertains to the period after 1849. Within the period 1824-1849 the most valuable papers are the despatches from the Court of Directors to the successive Commissioners.

1/1: Index Books from New South Wales to London. There are 19 vols in this unit numbered alphabetically; 7 vols remain unused.

1/2A: Copies of Despatches Nos 45 - 98 sent by Sir Edward Parry to London between 1830 and 1833; 3 items, 2 vols in 2 boxes.

1/2B: Letter Books, containing copies of letters sent by Sir Edward Parry to Company officers and to other persons in New South Wales, 9 Dec. 1829 to 8 March 1834. This volume of letters is in a very delicate, unusable state.

1/2C: Copies of Despatches sent by Captain P.P. King to London, 1841 to 1845; 6 vols in 3 boxes.

1/2D: Despatches from London to New South Wales, c.1843 to 1850. The unit consists of 1 vol. and a number of mss. in 1 box. It is in a very bad state of preservation.

1/2E: Letter Book containing drafts of letters and despatches as sent by Captain P.P. King to London and within New South Wales during 1839.

All the documents in 1/2A - 1/2E are in varying stages of obsolescence. Some are duplicated on microfilm.

1/3: Copies of Despatches to London from New South Wales, September 1833 to June 1840; 1 vol.

1/10: Index to P.P. King's Despatches, Nos 1 - 37, to London. This index was probably compiled by James Ebsworth.

1/12: Outletter Book of the Colonial Committee, October 1824 - April 1826.

1/13: Diary of T.C. Harington, Secretary to the Colonial Committee, March to June 1826; 1 vol.

1/14: Diaries containing general and other orders of Sir Edward Parry, July 1830 to June 1831; 3 vols.
1/15: Early records of the Company concerned chiefly with land, 1824 to 1856. This series includes correspondence, abstracts of titles, leases etc.; 1 box.

1/16: Despatches and letters from London to Sir Edward Parry, 1829-1834; 3 boxes.

1/17: Despatches, related papers and letters from London to Colonel Dumaresq, April 1833 to June 1838; 2 boxes.

1/18: Despatches, related papers and letters from London to James Ebsworth, July to October 1838, 1 box.

1/19: Despatches, related papers, and letters from London to Captain King, October 1838 to November 1848; 5 boxes. This series covering the important period of the forties is revealing in so far as it indicates the trust reposed in King's managerial competence.

1/20: Despatches, related papers, and letters from London to James Ebsworth, July 1848 to October 1850; 1 box.


1/44: Miscellaneous documents relating to various Commissioners and General Superintendents of the Company, 1836 to 1867; 1 box.

1/50: Leases granted by the Company and related papers, 1843 - 1945; 31 boxes. With the exception of leases to John Gill, Thomas Nicholls and Thomas Mayten, these are all later than 1849.

1/57: Letters received by the Commissioners, General Superintendent, Secretary and Accountant, Newcastle on colliery matters and the coal trade, 1830 to 1931; 80 boxes.

1/61: Colliery memoranda, agreements, and other papers relating to the coal business, 1842 - 1915; 16 boxes.

1/118: Miscellaneous newspaper cuttings collected by the Company, 1830, 1875 - 1905; 1 box. With the exception of one cutting from the Morning Chronicle relating to Robert Dawson's Statement of the Services of Mr Dawson, London, 1829, all these are later than 1849.

1/184: Volume containing miscellaneous information relating to leases granted by the Company, 1838 to 1856; 1 vol.

1/231: A.A. Company Ledgers, 1848 - 1857; 3 vols. There is only a small section of material pertaining to the period under discussion in the thesis.
1/452A: Copy of R. Dawson, *Statement of the Services of Mr Dawson*, London, 1829. This copy, which belonged to Mr Carson of A.M.L. & F. Co. Ltd contains some marginal comments. It also includes an extract from the *Morning Chronicle*, 8 March 1830, giving corrective impression of this book.


Deposit 1/Series 2A: Copies of Despatches to London from Sir Edward Parry, 1830 to 1833; 3 items, 2 vols in 2 boxes -

1/2A/1: Copy of Despatch to London from Sir Edward Parry (marked 'Secret No. 1'), 26 April 1830; 1 item.

1/2A/2: Copies of Despatches as sent to London from Sir Edward Parry, 18 December 1830 to 14 May 1831; 1 vol., 2 items.

1/2A/3: Copies of Despatches as sent to London from Sir Edward Parry, 23 May 1831 to 26 February 1833; 1 vol.

These volumes in Series 1/2A/1 to 1/2A/3 are in a very bad state of repair and must be handled with great care.

Deposit 1/Series 2C: Copies of Despatches as sent to the Court of Directors in London by Captain P.P. King, 1841 to 1845;

6 vols in 3 boxes -

1/2C/1: Copies of Despatches as sent to London by Captain King, 15 February 1841 to 26 January 1842; 1 vol.

1/2C/2: Copies of Despatches as sent to London by Captain King, 26 January 1842 to 26 December 1842; 1 vol.

1/2C/3: Copies of Despatches as sent to London by Captain King, 9 January 1843 to January 1844; 1 vol.

1/2C/4: Copies of Despatches as sent to London by Captain King, 9 January 1844 to 20 July 1844; 1 vol.

1/2C/5: Copies of Despatches as sent to London by Captain King, 29 July 1844 to 12 March 1845; 1 vol.

1/2C/6L Copies of Despatches as sent to London by Captain King, 12 March 1845 to 7 October 1845; 1 vol.

These volumes in Series 2C are in a very bad state of repair and may only be handled with great care.
DEPOSIT 78

These papers are the records of the London Head Office and were lodged in the A.N.U.B.A. in February 1966. There are 51 linear feet of records covering the period 1824 to 1916. This deposit contains the originals and some duplicates of despatches and enclosures received in London from New South Wales. These despatches contain very full details of the Company's operations during the period under discussion. Previous to 1966 knowledge of the period was necessarily sketchy because of the delicate state of many despatches, e.g. Series 2A and Series 2C in Deposit 1.

78/1: Despatches received in London from New South Wales. There are 89 volumes in this series covering the period 1 November 1824 to December 1916. Volumes 78/1/1 to 78/1/19 have been read exhaustively for the purposes of this thesis. These nineteen volumes form the fundamental corpus underlying the thesis but they have been amply supplemented by all relevant material in other series of Deposit 78 and Deposit 1.

78/3: Letterbooks of despatches from London to the Commissioners and General Superintendents. There are 25 vols in this series (covering the period 16 October 1838 to 7 October 1915) but only 78/3/1 and 78/3/2 are relevant to the period of this thesis.

78/6: Private letterbook of the London Secretary containing copies of letters written from London to New South Wales, 6 August 1825 to 18 January 1840. These letters often contain important supplementary detail on Company plans and personnel; 1 vol.

78/8: Letters and other documents relating to the Company's objection to bearing the cost of the police establishment on its estate, 1830 to 1831. These records are duplicates of similar records in the despatches series 78/1. Their collection in one slim volume was obviously intended for handy reference purposes.

78/9: Copies of despatches, letters etc. covering the Company's affairs in New South Wales for the period 1824 to 1829. There are four volumes in the series.

78/9/1: Copies of letters, despatches etc. sent to New South Wales from the London office, 1824 to 1829; 1 vol.
78/9/2: Copies of despatches from New South Wales to the London Office, 1824 to 1829; 1 vol.
78/9/3: Copies of letters from New South Wales to London, and copies of intracolonial letters by officers and servants of the Company, 1824 to 1829; 1 vol.
78/9/4: Index to the above three volumes.
78/10B: Abstract of Despatch No. 46 written by Sir Edward Parry to the Court of Directors of the Company, May 1831. This important despatch gives the Commissioner's considered assessment of the past failings and future prospects of the Company; 1 item in 1 folder.
78/11: Index to Mr Dawson's Statement of 29 May 1828 in explanation of charges made against him by Mr James Macarthur. This comprehensive index was most likely used/prepared by the committee appointed in London by the Court to examine the conduct of the Agent and the reasons alleged for his dismissal.
78/14: Indexes to New South Wales Ledgers of the Company, November 1825 to June 1857; 4 vols.

DEPOSIT 117

117/7: Index to Correspondence etc. etc.
This volume which was received from the Tamworth office in 1970 is similar to 78/9/4 in so far as it indexes correspondence contained in 78/9/1-3. It contains entries additional to those in 78/9/4.

DEPOSIT 121

121/30/1: P.G. King, The Australian Agricultural and The Peel River Land and Mineral Companies.

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MAPS
See separate heading "Maps".

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1824. 5 Geo. IV cap. 86: An Act for granting certain Powers and
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    Statutes at Large, vol.64.
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It had been found from experience that the number of Directors was inconveniently large for all purposes of business. Under this amendment vacancies on the Court were not filled until the number was reduced to a Governor, Deputy Governor and twelve Directors.

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MAPS

Australian Agricultural Company, A.N.U.B.A. There are approximately 60 maps in this collection for the period 1824 - 1849. As these maps are currently being catalogued they are referred to in the text under the general reference: A.N.U.B.A.

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