

Searching for WL Baillieu at Public Record Office Victoria

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Abstract

The career of the founder of the Baillieu family's fortunes, William Lawrence Baillieu, is shrouded in misconception and even mystery. After a meteoric rise and fall in the land boom and bust of the 1880s and 1890s, he restored his fortunes and through the Collins House Group was involved in the establishment of almost every important mining and industrial enterprise in Australia between 1895 and 1930. A wide variety of records at PROV shed light on many previously unknown or misinterpreted aspects of his life and work.

The Baillieu family is one of the most famous dynasties in Australia, but while the family name is well-known, little is known of its history and much that is 'known' is incorrect or at least misinterpreted.[1] William Lawrence Baillieu, the founder of the Baillieu family fortune, is remembered almost exclusively because he paid his creditors sixpence in the pound (equivalent to 2.5 cents in the dollar) following a secret composition during the financial crash of the 1890s. Few realise that he was involved in the establishment of almost every important mining and industrial enterprise in Australia between 1895 and 1930, and a strong case can be made that he played a greater role in shaping the modern Australian economy than any other person.

Tall, handsome and with a magnetic personality that inspired great loyalty, Baillieu became the unofficial but acknowledged leader of the Collins House group of closely interlocked companies that dominated many sectors of the Australian economy in the first half of the twentieth century, and whose legacy even today survives with such companies as Rio Tinto, Orica, the ANZ Bank, Oz Minerals, Pacific Brands, Paperlinx, Amcor, and many others. One of Baillieu's chief lieutenants, WS Robinson, wrote, 'He was a great leader, easy to understand and full of understanding himself ... his courage and vision and the ease with which he commanded the loyalty and friendship of others placed him at the head of his fellows.'^[2]

In spite of his prominence in the business community, there has never been a full biography of Baillieu and many aspects of his career are still shrouded in mystery. In particular, many myths have grown up concerning his activities during the land boom and bust of the late nineteenth century. While still in his twenties, Baillieu made a fortune speculating in real estate between 1885 and 1888. When the land boom ended, his riches disappeared as quickly as they had been acquired, forcing him to make his secret composition with his creditors in 1892. Then, during the worst depression in Victorian history, Baillieu built a new and lasting fortune based on mining, share trading, newspapers, real estate and breweries. His recovery during the grim years from 1892 to 1900, when most businessmen were battling just to survive, has always been the great mystery of Baillieu's career. Many of the answers to the mystery lie in files held by Public Record Office Victoria (PROV).



WL Baillieu, c. 1895. Reproduced with permission, Baillieu family collections.

The Melbourne land boom of the 1880s ranks along with the South Sea Bubble as one of the great speculative booms of history.[3] By the middle of 1888 land prices reached extraordinary levels. Prices in the central business district rivalled those of London and speculators were paying sky-high prices for 'sub-divisional land' far beyond the suburban fringes of Melbourne.[4] When £50,000 was paid for 500 acres of poor soil 26 miles from Melbourne, *The Times* of London commented that in England £50,000 would buy an estate of 1,550 acres 'with a really grand old mansion built by an eminent historical personage, a deer park, walled gardens, lawns, terraces, cedars, and six park lodges, one mile and a half from a railway station, and within thirty miles of London.'[5]

All bubbles eventually burst and the inevitable downturn began slowly in 1888 and gathered momentum over the next few years, before culminating in April 1893 with the closure of most of the trading banks operating in Melbourne. The fall in land prices in Melbourne was almost unbelievable. In July 1888 the Chatsworth Estate Company bought 1485 acres at Bulleen for £175 an acre – by 1893 the company's liquidator was struggling to find buyers at £30 an acre. [6] Much land, particularly on the edge of Melbourne, was unsaleable after 1890. Land companies, which had bought thousands of acres at the height of the boom, were left with vast tracts of essentially worthless land. Frequently the only income from an investment of hundreds of thousands of pounds would be a few pounds a year from a local dairy farmer for grazing rights.

WL Baillieu's early career is a typical story of the land boom. Born of poor parents in Queenscliff in 1859, Baillieu worked as a bank clerk until 1885 when he set up as a real estate agent in partnership with Donald Munro, the son of leading land boomer, James Munro. Baillieu was a brilliant salesman, while James Munro pushed business toward his son, and within two years Munro & Baillieu was Melbourne's leading real estate agency. In the 12 months to October 1888 the partnership profits were £168,000 – at least \$20 million in 2009 prices.[7] This made Baillieu a rich man. He set up his parents and numerous brothers and sisters in grand style, and with his father-in-law, Edward Latham, he built 'Raheen' in Studley Park Road, now the home of the Pratt family.

The wealth was lost as quickly as it was won. Munro & Baillieu invested most of their profits in outer suburban land and partly-paid shares in land companies, and borrowed a further £100,000 to buy still more land, all at the top of the boom. As soon as the bubble burst, most of the land became unsaleable and the shares a liability as calls greatly exceeded the share prices. In October 1892 Baillieu wrote to one of his creditors, 'My position I regret to say does not get stronger financially. Each day something drops away that one regards as an asset.' By this time Munro & Baillieu was insolvent.

Donald Munro disappeared into obscurity, but WL Baillieu rebuilt his fortunes in an extraordinary fashion during the gloomy years of the late 1890s, emerging from the depression with his wealth restored and positioned to become one of the most influential Australian industrialists of the first half of the twentieth century.

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The records held by PROV are critical for understanding both WL Baillieu's rise and fall in the 1880s and 1890s and his later rise to lasting success. Obviously the standard family history research tools such as births, deaths, marriages, wills and probate are useful for constructing a framework. Baillieu's parents arrived in Australia in 1853 and had 16 children, so the family structure rapidly became extremely complicated, particularly as the same names recur frequently throughout the family. As the records series relevant for family history research are the most used series at PROV, they are now user-friendly and it is rare to encounter difficulties finding the relevant files.

The same cannot be said of the other two series critical for investigating the career of WL Baillieu, VPRS 567 (defunct mining companies) and VPRS 932 (defunct non-mining companies). These files were generated by the former state bodies which regulated companies before the establishment of a national system of corporate regulation in the late 1980s. Theoretically there should be a file for every company set up in Victoria, but finding them can be a real adventure. Many files apparently never made it to PROV. The microfiche index (VPRS 8267) to VPRS 932, which originated with Corporate Affairs, frequently gives the same item number to two separate companies. This leads to a flurry of excitement when collecting a file. Hoping to receive the file for some disastrous land boom company or little-known mining company, the keen researcher is likely to be confronted with the records of the Ouyen Grocery Company or the Kooweerup Swamp Drainage Company No 3, although this is better than the all-too-frequent message, 'no file found in box'.

However, when the correct file comes, 'Eureka!' moments often follow. The information in the company files varies dramatically. Occasionally there is little more than one sheet of paper announcing that the company has been formed, but often there is enough to reconstruct its complete history from conception to death. A good example is the Bourke Street Freehold & Investment Company, which the file shows was formed in August 1888 to buy a large city block on Russell Street between Bourke and Little Collins Streets owned by the Premier Building Land & Investment Association. In a bull market the company appeared a sure investment as city land prices were rising by the month. The directors were Benjamin and Theodore Fink, William Malpas, WL Baillieu, Thomas Fischer and John Howden and the list of shareholders was dominated by the Munro, Baillieu and Fink families: of the 120,000 shares, WL Baillieu had 15,000, his brother EL 'Prince' Baillieu 2500, Donald Munro 5000, and Benjamin Fink, his wife Catherine,

and his brother Theodore 10,000 each. The other shareholders were all regular associates of the Munro-Baillieu-Fink group.[8]

By the time the Bourke Street Company tried to sell its land the market had peaked, buyers were scarce and many lots remained unsold. Instead of realising quick windfall profits, the company became the landlord of an assortment of shops, hotels and offices in a part of the city that has never quite been 'prime' and was therefore more vulnerable to the growing depression. Munro & Baillieu earned small commissions for collecting rents from struggling shopkeepers and hoteliers, but the rents were never enough to pay the interest on the loans taken out to buy the properties. The company files held at PROV show that each month more tenants were in arrears with their rent, and by early 1891 the total rental income had fallen below £300 per month, which was less than half the Bourke Street Company's interest bill. Many shareholders saw the company as a lost cause and in 1890 the annual return showed that over half the calls on shares had not been paid. The difficulties of the company were also reflected in this extraordinary resolution passed, appropriately enough, at an extraordinary general meeting in 1890:

That the Company hereby ratifies confirms and adopts all and whatsoever the past or present Directors of the Company have, or any of them has done or purport to have done in connection with the affairs and business of the Company as appears in the Directors' minute book and also ratifies confirms and adopts all other acts documents deeds matters things and transactions not appearing in such minute book, notwithstanding any defect or irregularity in the appointments of the Directors, or any of them, or that such appointment was or had become invalid, or that the office of the Directors, or any of them had become vacant and notwithstanding that any documents may have been or were executed without the previous consent or sanction of the Directors or a quorum thereof.[9]

There appears to be no record of the events that led to this resolution, but it lends itself far more readily to a negative than a positive interpretation. At the very least it indicates that the company's governance had not reached even the modest levels required of public companies in the 1880s.

In 1891 the Bourke Street Company mortgaged all its properties to James Graham, a leading Melbourne merchant since the 1850s. While this saved the company from imminent collapse, it left it with an annual interest bill of over £7,000 which could only be met if the rental income was maintained. This proved impossible as the depression worsened and an increasing number of the company's shops put up their shutters for the last time. Eventually, with no possibility of paying its interest bill, the Bourke Street Company went into liquidation.

Although many shareholders attempted to escape their liability for calls by transferring their shares to 'dummies' or 'men of straw', WL Baillieu retained his shares until the company was wound up, and in July 1892 he owed the company £9,155 for 'calls and promissory note', this being his biggest single debt.

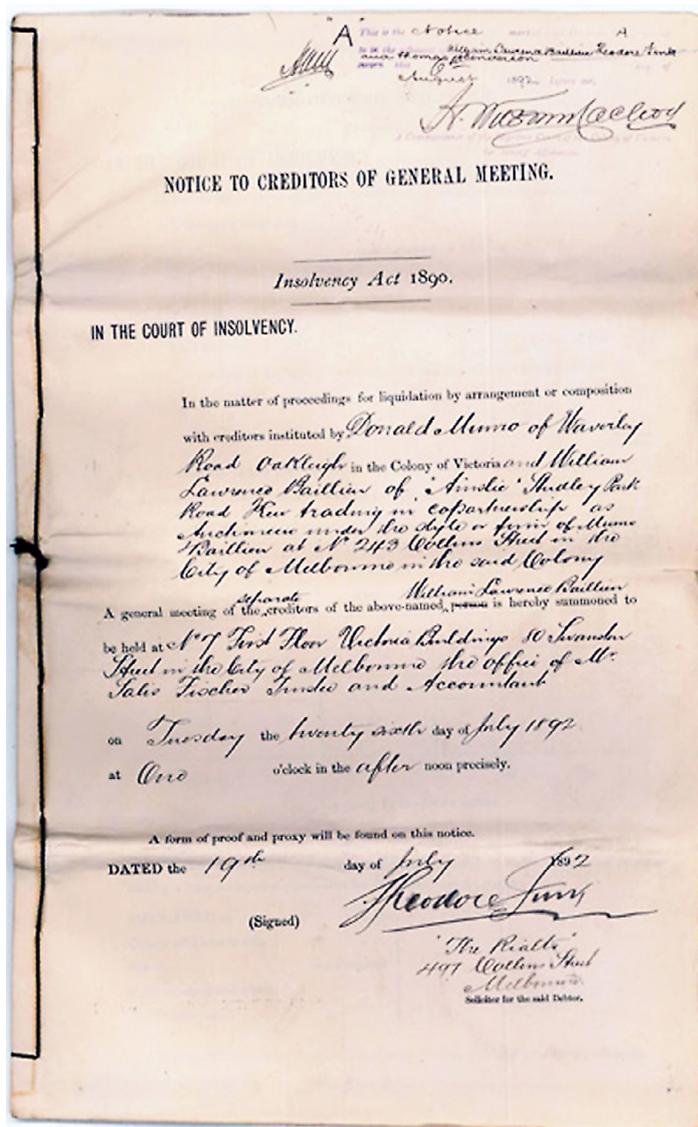
PROV holds files for over one hundred companies with which WL Baillieu was involved. These include land companies in the 1880s, newspaper, brewing, gold and coal companies in the 1890s, base metal mining companies and industrial companies after 1905 and pastoral and oil exploration companies in the 1920s. Much of the information in these files cannot be found anywhere else.

Another series of records held by PROV that are vital for understanding WL Baillieu's career are the records of the secret compositions of the 1890s. Secret composition, or more correctly 'Composition by Arrangement', was one of four ways of dealing with insolvency under the *Insolvency Act 1890*. The process for a secret composition was that a debtor would call a meeting of his creditors at which a 75 per cent majority would bind all creditors to the arrangement to be accepted, provided that it was confirmed at a second creditors' meeting. No trustee need be appointed and the debtor only had to deposit his statement of assets and liabilities, names and addresses of creditors and the resolution with the chief clerk of the Insolvency Court, who had very limited powers to query the composition. Once the clerk had registered the composition, he would provide the debtor with a certificate discharging him from his debts. The composition was private, with only creditors who had attended the meetings being informed of the details.

Making a secret composition had obvious advantages for the debtor as it released him from his debts without the public shame or legal disabilities of bankruptcy, but it was also attractive to many major creditors as it avoided publicity for their frequently reckless lending as well as speculation about the impact of the insolvency on their finances.

At the time little was known of the secret compositions other than rumour and innuendo, but the paperwork for them was carefully stored away and all it takes is some patience looking up the insolvency indexes and the full details of the compositions are revealed. WL Baillieu, Donald Munro, and the partnership of Munro & Baillieu made their secret compositions on the same day in July 1892.[10] The list of their debts is a catalogue of the disasters of the land boom. The partners were liable for calls on shares in the Spottiswoode Estate

Co., the Brunswick Investment Co., Melbourne Trust Finance and Banking Co., the Centennial Land Bank Ltd, the Territorial Bank Ltd, the Real Estate Bank, the Chatsworth Estate Co., and many more failed relics of the boom. Unfortunately the full details of Baillieu's personal composition are not entirely certain as the debtor's statement is missing from the composition file held by PROV, although it can be largely reconstructed from other sources, notably the notes taken by historians before the statement disappeared.[11]



Affidavit regarding William Lawrence Baillieu, notice to creditors of general meeting. PROV, VPRS 763/PO, Unit 6, Item 70B.

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The files of the secret compositions show that WL Baillieu the auctioneer apparently believed his own spiel that the land boom was soundly based and would continue, and that he had backed this judgement not only with large amounts of his own money, but had also borrowed heavily to invest in land boom companies. As his financial position worsened, he continued to borrow heavily to refinance earlier loans, in the hope that the economy would turn around, and share and property markets would recover.

Baillieu's personal composition involved the payment of sixpence in the pound on proven debts of 22,400 pounds 11 shillings 4 pence, a total of £560. For the rest of his career he was haunted by the cry 'He paid sixpence in the pound'.

Baillieu's success in recovering from his secret composition and building a new fortune has led several historians to accuse him of giving an incomplete statement of his assets and therefore hiding them from his creditors. Most notably it has been alleged that he failed to disclose his ownership of a large parcel of shares in the Herald & Sportsman Newspaper Company, which became highly significant as the success of the Herald was an important factor in WL's recovery.[12] A careful study of company records held by PROV show that this accusation is based on a misapprehension.

The story of the Herald & Sportsman Newspaper Company during the late 1880s and early 1890s is complex and unclear. The essence of the story is that the *Herald*, Melbourne's leading evening newspaper, had been run since 1871 by a partnership of SV Winter and John Halfey. When Halfey died in 1889, Winter, who also owned the *Sportsman*, needed a business partner. Theodore Fink, a prominent young solicitor, was approached and he put together a syndicate consisting of himself, AH Massina, WJ Mitchell, Ignatius Feigl, Percy Halfey and WL Baillieu and formed the Herald and Sportsman Newspaper Company, which was incorporated in May 1889. Of the 30 shares in the new company, Winter received nine shares, Fink received six, and the other syndicate members three each. Winter's shares were fully paid-up, while the others were only paid-up to £200 with the holders liable to pay calls on their £1000 shares as required. By July 1891 these shares had been paid up to £263, a significant figure in the light of later events.[13]

In common with many businesses in the early 1890s, the *Herald* struggled and in November 1890 the Herald & Sportsman Company was sold to City Newspapers Co. Ltd, which was controlled by the owners of the

Daily Telegraph and the *Evening Standard*, two long-forgotten Melbourne newspapers. Herald shareholders were to receive £3,500 for three Herald shares, made up of 500 fully paid £1 shares in City Newspapers and cash payments over three years. The first payment was made in November 1891, but City Newspapers was sold to a new company, Victorian Newspaper Co., in July 1892 and defaulted on the second payment in November 1892. When it went into voluntary liquidation in August 1893 it still owed £14,663 for the Herald shares. This default enabled Theodore Fink and the shareholders of the Herald & Sportsman, after a lengthy battle, to force the Victorian Newspaper Co. into liquidation and take over its remaining assets.[14]

Gardner is strong in his condemnation of Theodore Fink and WL Baillieu for not declaring their Herald shares as assets in their secret compositions, but the situation is not as clear as he presents it. The shares in the Herald were sold to City Newspapers in November 1890 and although the Herald company was not formally wound up until October 1894, the business and the shares were owned by City Newspapers – the former shareholders no longer owned the shares.[15] What they did own were shares in City Newspapers and the right to receive further cash payments. In his secret composition WL declared his shares in City Newspapers and the valuation of £200 was probably a realistic market price for shares in a struggling company in the depths of the depression – the fact that they later became much more valuable is as irrelevant as the fact that other assets proved to be worthless. When Baillieu and other former shareholders in the Herald did not receive the payments due to them, they took action to recover their shares.

In September 1892, following the secret compositions, the real estate firm of Munro & Baillieu was dissolved and Baillieu began his own business under the name WL Baillieu & Co.[16] In spite of the disastrous state of the economy, he made a success of this business, taking in his brother Arthur as a partner and developing it into one of the largest real estate agencies in Melbourne. At the same time he took over the failed stockbroking firm of WJ Malpas & Co. and built up a stockbroking business with his brothers Edward (Prince), Clive (Joe), Norman and Maurice (Jac), which as EL & C Baillieu has been one of the leading stockbrokers in Melbourne for over 100 years.[17]

In the gloom of the depression of the 1890s, when almost every industry was struggling to survive, mining was one of very few industries to grow strongly. Mining offered many opportunities for city entrepreneurs, from investing and speculating in shares and floating new companies to bankrolling prospectors, and even the mundane activity of acting as legal manager for mining companies. Baillieu had some success at all of these, making mining probably the most important single factor in the rebuilding of his fortunes. His two main areas of activity were in gold and coal, and the mining company records in PROV are a critical source of information on both.

Baillieu's first known involvement in Victorian gold mining was with the Duke mines at Timor, the richest deep alluvial mines in the Maryborough district, although underground water made them expensive to work. The first Duke mines opened in the 1860s and by the 1880s they were run-down and in need of capital to provide the machinery and equipment that would allow them to work effectively. In 1882 financier and entrepreneur BJ Fink attempted to begin this process by taking over the Duke Consols mine, but the mine remained unprofitable.[18] Fink then turned his attention to the main Duke mine and in 1890 he formed a syndicate, of which Baillieu was a member, to take over the mine. The Grand Duke Co. NL was registered in December 1890 with capital of £50,000 and, after spending large sums refurbishing the mine, the company began paying dividends in the first half of 1892.[19]



Deed of Association and Rules, The Grand Duke Company 1890. PROV, VPRS 567/P0, Unit 415, Item 4455.

Also in 1890, another local Maryborough syndicate established the North Duke Co. to operate a mine about a mile north of the Grand Duke mine. The mine had early difficulties because 'the ground driven through ... was excessively hard' and by 1891 Benjamin Fink had gained control of the company and the office

was moved to Melbourne. Late in 1892, when Baillieu's financial situation was at its worst, he became the North Duke Co.'s legal manager and the company's registered office moved to the office of WL Baillieu & Co. at 243 Collins Street.

As legal manager Baillieu was responsible for such tasks as maintaining the share register, keeping the accounts and organising company meetings and reports. For this he was paid £4 per week and WL Baillieu & Co. received £2 per month for providing clerical assistance to the company – small amounts, but very handy in 1892 and 1893. In addition, Baillieu was able to put his brother Clive (Joe) on the payroll at £4 a month. Joe was 18 in 1892 and presumably this was his first job after leaving school. Percy Cook, a friend of the Baillieus from Queenscliff days, who had lost everything in the crash, was employed as the North Duke's accountant for a monthly salary of 12 pounds 10 shillings.[20]

Clearly Baillieu believed mine management was worthwhile as he also applied to be manager of at least one other gold mining company. In February 1893 he wrote to AE Clarke of Elizabeth Street: 'I beg to apply for the position of Manager to the West Sunlight Gold Mining Co. NL at a salary of £3 weekly.[21] This company had a mine at Cobar with its Melbourne office in the Rothschild Chambers at 360 Collins Street, later to be the headquarters of all the Baillieu enterprises. There is no further mention of the West Sunlight Co. in the records of WL Baillieu & Co. so presumably Baillieu's application was unsuccessful – the company itself won a small amount of gold in the 1890s before fading from view.[22]

After slow beginnings the North Duke's career was more successful. From 1890 to 1893 the company made regular calls on shareholders while the mine was being developed, but the June 1893 report claimed:

The Mine is opening up exceedingly well. The Manager reports good payable wash in four different faces, and hopes to be able shortly to operate on same, and thus somewhat relieve shareholders ... We congratulate the shareholders on possessing a first-class property ... [The company had installed a large new pump] capable of coping with any difficulty that may be met with in this mine.[23]

In that year the expenditure on the mine was £5915 and receipts from calls and forfeited shares came to about £4000. The following year, however, while further calls were made of £6992, the first gold sales were made, bringing in £4684, and in the second half of 1894 the mine was enormously profitable, with gold sales for six months of £22,883 and a net profit of almost £10,000.

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The success of the North Duke mine inspired the formation of more Duke companies such as the Duke of York, Royal Duke, Duke Extended and Duke United. PROV company records suggest that Baillieu was not the promoter of any of these companies, but he speculated heavily in the shares, particularly of the Duke United, in which he and his brothers accumulated about 50,000 of the 80,000 shares in the company with a view to selling them in London.[24] Reports of the mine, however, were bad and buyers were scarce, which meant that the Baillieus were still holding their shares when the mine suddenly began to win large quantities of gold and pay handsome dividends.[25] In 1901 the Baillieus converted the Duke United from a no liability to a limited liability company, as this was far more palatable to English investors, and successfully sold the shares in London. [26] The surviving records indicate that the Baillieu brothers made a profit of at least £20,000 on the sale of the Duke United mine.[27]

By far the most successful of Baillieu's Victorian gold ventures was the Jubilee mine at Scarsdale. The mine had been started in 1887 as a co-operative venture and paid healthy dividends of £21,303 over its first twelve years, but by 1899 it was becoming run-down and was in need of new equipment. Baillieu, always on the lookout for good mines, asked Thomas Harvey and Herbert Daly [28] to look at the mine and Harvey reported that it was 'a first class going concern which has paid dividends for the last 12 years to a cooperative party of miners'. Following this report Baillieu went ahead and bought the mine, writing soon after to David Ham, MLC, a Ballarat stockbroker (and Arthur's father-in-law):

Re Jubilee Mine

As you are aware this matter has now been completed and the Vendors have received the purchase money, viz:- £12,000.

It is intended to put the property into a No Liability Company of 32,000 shares of £1 each, fully paid and provide a nett working capital of £5,000. This sum it is estimated will be ample to do what is required at the mine to put it in first class order and in a position to pay regular dividends ... I have put you down for £500 as arranged and this will carry 900 shares. Please forward cheque.

I feel this is a real good business and trust it will prove profitable to all of us as prospects indicate.[29]

Baillieu kept half the shares in the new Jubilee Company, with the other half being distributed among his friends and associates.[30] The share sales covered the costs of £16,231 involved in setting up the company and re-equipping the mine, and the shareholders then enjoyed over a decade of extraordinary returns before the mine closed in 1913. Gold output between 1901 and 1913 was 124,178 ounces worth £502,958, with total dividends and bonuses paid of £145,800, an enormous sum in those days.[31]

Baillieu's successful ventures in Victoria inspired him to look further afield for promising mines. As well as a prospecting venture to the west, Baillieu is known to have financed a George Smyth to prospect for gold on the islands in Torres Strait and for copper in far west New South Wales, and he invested in some extremely remote mines.[32] Smyth gave a promising report on a gold mine on Horn Island in Torres Strait and he and Baillieu set up the Horn Island Gold Mining Company, with Baillieu investing £1000 for a half interest.[33] About 6000 ounces of gold worth £24,000 was mined before 1914, but it is not known if Baillieu kept his shares throughout this period. Further, the mine costs must have been high due to its remoteness, so profits were probably not great.

While Baillieu's investments in gold mining proved highly profitable, PROV records show that his venture into coal mining was not so successful. In the 1880s and 1890s the Victorian Government was looking to reduce the dependence of Victoria's railways and industry on black coal supplies from New South Wales, and potentially rich rewards awaited anybody who was able to develop new coal mines. Numerous coal companies were founded and founded in the Korumburra district in the early 1890s, with only a handful lasting more than a few years, and WL Baillieu was involved with at least one of the failed companies, the Silkstone.[34]

In 1892 black coal was discovered at Outtrim in the hills ten kilometres south of Korumburra and the Outtrim Coal Mining Company was formed in November of that year.[35] The company appears to have been undercapitalised for the scale of work required to open up the mine and in 1894 it amalgamated with the two other companies with adjacent leases to form the Outtrim, Howitt & British Consolidated Coal Mining Company.[36]

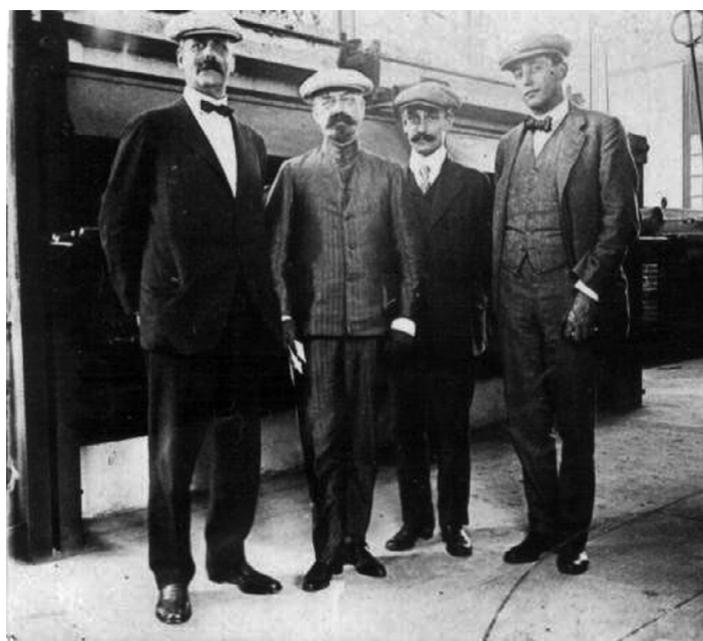
This was the most serious attempt by a private company to develop a large-scale black coal mine in Victoria, but the mine was never more than marginally profitable. As with other Victorian black coal mines, the Outtrim mine could never overcome the poor quality of the coalfields, particularly the fractured and erratic coal seams, or the poisonous relations between miners and management. The Outtrim company struggled on until World War I, with steadily falling production and profits, but its last dividend was paid in 1903.[37] Baillieu gradually sold down his shareholding, although he remained a director until 1908, by which time he clearly saw that there was no money to be made in the Victorian black coal industry. In its lifetime the Outtrim mine paid dividends of £41,129, a poor return on the shareholders' investment of £75,000.[38]

As well as Baillieu's interests in gold and coal mining, PROV records also help give insights into his successful investments in newspapers, brewing, rubber, and base metal mining and processing.[39] In particular they provide valuable information on Baillieu's role in the revitalisation of Australia's richest mining area, Broken Hill, in the years after 1904. He took control of the North Broken Hill Mining Company, with Herbert Hoover, Lionel and WS Robinson and Francis Govett, he established the Zinc Corporation, and with Montague Cohen set up Amalgamated Zinc. The Zinc Corporation and Amalgamated Zinc developed innovative minerals flotation processes to separate zinc from the complex Broken Hill ores, which made the Broken Hill mines highly profitable for another seventy years.[40]

The mining and minerals processing companies formed the core of the Collins House Group, an informal but close alliance of companies (of which Baillieu was the unofficial but unquestioned leader), most of which had their head offices in the Baillieu-owned Collins House at 360 Collins Street that was completed in 1912. Closely associated companies included Carlton & United Breweries – put together by Baillieu and Monty Cohen in 1907 – the Herald & Weekly Times, Dunlop, Yarra Falls textiles, Melbourne City Electric Company, and numerous other mining, refining and smelting companies.

During World War I the Collins House Group led the way in refining and smelting ores in Australia, taking over BHP's run-down lead smelter at Port Pirie, which was modernised and became the largest lead smelter in the world, and building the zinc refinery at Risdon near Hobart, one of the world's first refineries to use electrolysis rather than distillation (and still one of the most efficient zinc refineries in the world). The Collins House Group also took over the copper refining works of Electrolytic Refining & Smelting at Port Kembla – previously one-third German owned – and set up Metal Manufactures Ltd, one of Australia's largest manufacturers. By the end of World War I the Collins House Group controlled three of the four enterprises at the heart of Australia's heavy industry – Port Pirie, Risdon, and Port Kembla, as well as the largest and most profitable mines in Australia at Broken Hill.[41]

In the 1920s the Collins House Group drove Australia's industrial expansion with new ventures in paper manufacture, textiles, cotton growing and many other areas. New companies formed by or closely associated with the Collins House Group included Associated Pulp & Paper Manufacturers, Western Mining, Gold Mines of Australia, British Australian Lead Manufacturers, ICIANZ, and the Commonwealth Aircraft Corporation. [42]



WL Baillieu (left) visiting smelters in Belgium, 1911. Reproduced with permission, Baillieu family collections.

Partly due to the success of the Collins House Group, Melbourne was until recent years the business capital of Australia. A useful consequence of this for historians is that a high proportion of significant Australian companies were registered in Melbourne and consequently they have files in VPRS 932 or VPRS 567 held at PROV. While the information in these files varies greatly, they form a vital resource for students of Australian business history. For a business leader of the stature of WL Baillieu, the depth of information available at PROV appears almost inexhaustible – and that is without even beginning to investigate the material available on his parallel career as a politician and minister in several Victorian governments in the early twentieth century.

Endnotes

[1] The main published studies of Baillieu are JR Poynter, 'Baillieu, William Lawrence (1859-1936)', *Australian dictionary of biography*, Volume 7, Melbourne University Press, 1979, pp. 138-45; Peter Richardson, 'Collins House financiers', in RY Appleyard and CB Schedvin (eds), *Australian financiers: biographical essays*, Macmillan, Melbourne, 1988, pp. 226-53; Michael Cannon, *The land boomers: the complete illustrated history*, second paperback edition, Melbourne University Press, 1995, ch. 35. An unpublished biography by John Reynolds written in the early 1960s and available in the University of Melbourne Archives is a poorly-researched hagiography.

[2] WS Robinson, *If I remember rightly*, FW Cheshire, Melbourne, 1967, p. 38.

[3] Still the best study of the economic causes of the boom and bust in Melbourne in the 1880s and 1890s is EA Boehm, *Prosperity and depression in Australia, 1887-1897*, Clarendon Press, Oxford, 1971. The social and political background is analysed in Geoffrey Serle, *The rush to be rich: a history of the colony of Victoria, 1883-1889*, Melbourne University Press, 1971. The most famous story of the boom and bust is Michael Cannon, *The land boomers*, Melbourne University Press, 1966 and later editions, of which the best is the illustrated and extended paperback edition published in 1995. While a masterpiece of in-depth research and crusading journalism, *Land boomers* lacks both objectivity and informed economic analysis.

[4] Some indication of the extent of subdivisions on Melbourne's fringes in 1887 and 1888 can be gleaned from the subdivision plans and advertising posters in the Baillieu Allard Papers, University of Melbourne Archives (hereafter BAP), 14/5.

[5] *The Times*, 26 October 1888.

[6] WL Baillieu was the liquidator of the Chatsworth Estate and many details of the estate's history can be found in BAP, 14/1, 14/2, 14/4, 14/7, 14/8, 14/9.

[7] Figures from profit and loss statements, BAP, 5/27.

[8] Bourke Street Freehold & Investment Co., PROV, VPRS 932/P0, Unit 88, Item 1477.

[9] Report of Extraordinary General Meeting in *ibid*.

[10] Munro & Baillieu, PROV, VPRS 763/P0, Unit 6, Item 70; WL Baillieu, PROV, VPRS 763/P0, Unit 6, Item 70B.

[11] Michael Cannon's notes of WL Baillieu's secret composition are in the Michael Cannon Papers, National Library of Australia MS 6205, Series 1, File 4.

[12] See PD Gardner, 'Some brief notes on some fraudulent aspects of the secret compositions of William Lawrence Baillieu and friends 1892', *Victorian historical journal*, vol. 80, no. 1, June 2009, pp. 63-5; Don Garden, *Theodore Fink: a talent for ubiquity*, Melbourne University Press, 1998, pp. 78-82.

[13] Herald & Sportsman Newspaper Company Ltd file, PROV, VPRS 932/P0, Unit 101, Item 2255, statement for July 1891.

[14] This paragraph is based primarily on the PROV files for the Herald & Sportsman Newspaper Co., the Herald & Standard Newspaper Co. (PROV, VPRS 932/P0, Unit 142, Item 2981), City Newspaper Co. (PROV, VPRS 932/P0, Unit 113, Item 2512) and the Victorian Newspaper Company Ltd (PROV, VPRS 932/P0, Unit 130, Item 2765).

[15] Garden and Gardner rely on the fact that the 1892 and 1893 returns of the Herald & Sportsman Co. show no change in the shareholdings following the sale of the business, but after the sale of the company the responsibility for maintaining the register lay with City Newspapers and not with the former management of the Herald & Sportsman. It certainly does not override the clear fact that the business had been sold. This is supported by the company's final return on 31 Oct 1894: 'The Herald and Sportsman Newspapers Company Limited ... has long since ceased to carry on business and is now in cause of winding up and dissolution.'

[16] In spite of the name, WL Baillieu & Co. was a partnership rather than a company and therefore there are no company returns held by PROV.

[17] EL & C Baillieu was also a partnership and hence there are no records of it held by PROV. Incomplete and inaccurate accounts of the development of WL Baillieu & Co. and EL & C Baillieu are given in Richardson, 'Collins House financiers', pp. 230-1; and Graeme Adamson, *A century of change: the first hundred years of the Stock Exchange of Melbourne*, Currey O'Neill, Melbourne, 1988, pp. 118-21. There are few surviving records of EL & C Baillieu, but some records of WL Baillieu & Co. have recently been found and are currently privately held. These records have been used in this analysis of Baillieu's recovery.

[18] Duke Consols NL, PROV, VPRS 567/P0, Unit 172, Item 2542.

[19] Grand Duke Company NL, PROV, VPRS 567/P0, Unit 415, Item 4455.

[20] Munro & Baillieu Ledger, North Duke Company Commission Account, Baillieu Family Papers (hereafter BFP), p. 201.

[21] WL Baillieu to AE Clarke, 14 February 1893, Letter Books of WL Baillieu & Co., no. 37, (BFP).

[22] PROV, VPRS 567/P0, Unit 436, Item 4585.

[23] PROV, VPRS 567/P0, Unit 413, Item 4441.

[24] Cram to WL Baillieu, 17 July 1896, BAP, 5/53.

[25] For about ten years from 1897 the Duke United produced about £50,000 worth of gold per annum and paid dividends of up to £25,000 per annum.

[26] PROV, VPRS 567/P0, Unit 647, Item 7917.

[27] *ibid.* Under the agreement setting up the company Prince was entitled to buy 16,000 shares for 12 shillings per share and 20,000 shares for 17 shillings 6 pence per share. The financial report for August 1901 shows that he exercised these rights and presumably he sold the shares for about 25 shillings, the prevailing London price. In addition Baillieu received a £1,335 commission for reconstructing the company.

[28] Thomas Harvey was a leading mining investor and company director and Herbert Daly was a well-known figure in mining circles as a mine manager and assessor of mining properties.

[29] WL Baillieu to Hon D Ham MLC, 5 October 1899, BAP, 5/58.

[30] A list of the share distribution in Baillieu's handwriting is in BAP, 5/58.

[31] Jubilee Gold Mining Company NL, PROV, VPRS 932/P0, Unit 628, Item 6775.

[32] BAP, 5/60.

[33] See correspondence with Thomas Brentnall in *ibid.*

[34] WL Baillieu to Rennick, 7 February 1895, Letter Books of WL Baillieu & Co., no. 45, BFP.

[35] Outtrim Coal Mining Co. NL, PROV, VPRS 567/P0, Unit 459, Item 4792.

[36] Outtrim, Howitt & British Consolidated Coal Mining Company, PROV, VPRS 567/P0, Unit 491, Item 5145.

[37] The annual reports of the Outtrim company are in PROV, VPRS 567/P0, Unit 491, Item 5145.

[38] Figures calculated from the annual reports of the Outtrim, Howitt & British Consolidated Coal Co. NL.

[39] For Baillieu's brewing interests, see: PROV, Terry's West End Brewery Ltd, VPRS 932/P0, Unit 36, Item 615; Carlton & United Breweries Ltd, VPRS 932/P0, Unit 201, Item 4158; Carlton & United Breweries Ltd, VPRS 932/P1, Unit 50, Item 4158; Melbourne Brewing & Malting Company, VPRS 932/P0, Unit 33, Item 561; Carlton & West End Breweries Ltd, VPRS 932/P0, Unit 615, Item 36. For rubber, see Dunlop Pneumatic Tyre Co. of Australasia Ltd, VPRS 932/P0, Unit 162, Item 3313; Dunlop Australia, VPRS 932/P1, Unit 141, Item 7354. For base metals mining and processing, see: North Broken Hill Silver Mining Company NL, VPRS 567/P0, Unit 511, Item 5371; North Broken Hill Mining Company NL, VPRS 567/P0, Unit 679, Item 7641; Broken Hill Junction Silver Mining Company Ltd, VPRS 932/P0, Unit 59, Item 1017; Broken Hill Junction North Mining Company Ltd, VPRS 932/P0, Unit 151, Item 3133; Broken Hill Proprietary Block 14 Company Ltd, VPRS 932/P0, Unit 63, Item 1090; Victorian Mineral Development Company Pty Ltd, VPRS 932/P0, Unit 381, Item 7173; Broken Hill Junction North Silver Mining Company NL, VPRS 567/P0, Unit 684, Item 7739; Buchan-Murindal Silver Mining Company NL, VPRS 567/P0, Unit 535, Item 5674; Lyell, Tyndal & Dundas Prospecting Association NL, VPRS 567/P0, Unit 532, Item 6538; Mining & Treatment Company of Victoria NL, VPRS 567/P0, Unit 720, Item 8442; Lyell Dundas Silver Mining Company NL,

VPRS 567/P0, Unit 5744, Item 541; Hampden Copper Mine NL, VPRS 567/P0, Unit 607, Item 6547; North Broken Hill Silver Mining Co. Ltd, VPRS 932/P0, Unit 73, Item 1234; North Broken Hill Ltd, VPRS 932/P1, Unit 76, Item 5248; Bells' Reward Silver Mining Co., VPRS 567/P0, Unit 428, Item 4528; Hercules & Mt Reid Central Syndicate Mining Co. NL, VPRS 567/P0, Unit 629, Item 6788; Lyell Dundas South Silver Mining Co. NL, VPRS 567/P0, Unit 538, Item 5697; Frome River Tin Mining Co. NL, VPRS 567/P0, Unit 618, Item 6670; Minerals Separation and De Bavay's Processes Australia Pty Ltd, VPRS 932/P0, Unit 267, Item 5107; Amalgamated Zinc, VPRS 932/P0, Unit 222, Item 4456; De Bavay Sulphide Process Company, VPRS 932/P0, Unit 184, Item 3846.

[40] The importance of Baillieu's investment in Broken Hill and the development of the flotation processes are discussed in Geoffrey Blainey, *The rise of Broken Hill*, Macmillan, Melbourne, 1968, pp. 49-85.

[41] For the development of the Collins House Group, see Richardson, 'Collins House financiers'; John Kennett, 'The Collins House Group', unpublished M.Ec. Thesis, Monash University, 1980; George H Nash, *The life of Herbert Hoover: the engineer, 1874-1914*, Norton, New York, 1983, ch. 17; Herbert Hoover, *The memories of Herbert Hoover: years of adventure, 1874-1920*, Macmillan, New York, 1952, pp. 88-90; and Robinson, *If I remember rightly*, FW Cheshire, Melbourne, 1967, pp. 77-103.

[42] The records of many of these ventures are held by the University of Melbourne Archives, mostly under the somewhat misleading name of the 'Rio Tinto Collection'. The PROV company files provide vital complementary information.