

The Duke United Mine GMLCo. Maryborough; Baillieu's 1897 Take-over and Outcomesⁱ

by P.D. GARDNER

'Behind every great fortune is a great crime', Balzac.

In 1881 at the age of 22 William Lawrence Baillieu - later to become pre-eminent in Australian mining circles - transferred to the Maryborough branch of the Bank of Victoria. He probably already knew Benjamin Fink at this time, possibly through Fink's association with Edward Latham of the Carlton Brewery, Baillieu's future father-in-law. Benjamin Fink was active in the Maryborough mining sector in 1881 when he was one of the promoters of the deep lead gold mine known as Chalks Freehold.ⁱⁱ Two of the other promoters of this mine were Edward Morey MLC and William Bailey, both members of the famous Seven Hills Syndicate in the Creswick deep lead district. A number of the syndicate members - especially Morey and Chalk - were active in the Maryborough companies as well,³ and Benjamin Fink was associated closely with several of their members in a number of mines.⁴ In his year at Maryborough Baillieu probably associated with auctioneer Alfred Outtrim, learning the auctioneers trade in his spare time. He also probably began buying and selling shares in the Maryborough mines. In 1885 he set up his auction house at 42 Collins St. Melbourne with Donald Munro, son of James Munro MLA, future Premier of Victoria. Next door were the offices of solicitors Fink & Best, whose principal Theodore Fink was a younger brother of Benjamin who was elected as one of the House of Assembly representatives for the seat of Maryborough in 1883. He rose to prominence in 1885 when he prevented the Duke Gold Mining Co from closing down. Michael Cannon wrote:

In 1885 Fink briefly returned to his old stamping ground at Maryborough to save the famous Duke Mine from closure. Armed with thousands of shareholder proxies, and backed by demonstrations of angry miners, he ousted the entire board of directors. Three years later the mine, with Fink as its golden boy and chairman of directors, was still yielding 1,500 oz of gold a week.⁵

It is assumed that Baillieu and possibly the firm of Munro and Baillieu were shareholders in this company.

In 1890 the Duke was reconstructed as the Grand Duke GMLCo which took over the property of the old Duke GMLCo., and Benjamin Fink and W.L. Baillieu were two of its promoters. Likewise the North Duke was formed in 1890. Although Fink and Baillieu were not - as supposed - promoters of this company they appear to have been in control early in 1891.⁶ The company was winning gold by 1893 and issued a dividend in 1894.⁷ Unfortunately at this time both Fink and Baillieu had private bankruptcies known as secret compositions⁸ and their public involvement was curtailed - in the case of Baillieu briefly, if at all. At the time of their secret compositions neither Fink nor Baillieu admitted any holdings in the Grand Duke or other nearby deep lead mines.

However, the insolvent partnership of Munro & Baillieu was holding 1,000 Grand Dukes and 2,600 North Dukes.⁹ After the compositions Fink chose to lead a quiet life,¹⁰ almost certainly because of his huge debts - on some of which he paid a halfpenny in the pound - whilst Baillieu continued on with hardly an interruption, trading out of the old Munro & Baillieu offices as W.L. Baillieu & Co.¹¹

In 1896 the mines of interest in this paper were the Duke United and the North Duke on adjoining leases two to three kilometres north of the Grand Duke. The North Duke had been controlled by Baillieu interests since 1891 - with W.L. Baillieu as the legal manager of this mine and W.J. Malpas, stockbroking partner of his younger brother Edward Lloyd Baillieu, one of the directors. Thus at the time of W.L. Baillieu's trip to London early in 1897, the Baillieu group had had a long and close association with the various Duke Mines. The coincidence that the opportunity arose to take over the Duke United whilst William Baillieu was in London meant that a large amount of at best unscrupulous, and at worst illegal, behaviour was recorded in letters between him and his brothers and preserved in the Baillieu Allard papers held by the Archives of Melbourne University.

The 1897 takeover

The Duke United had been formed in 1894 by a merger of adjoining companies - the Royal Duke and the Duke of York.¹² Both these companies had been exploratory companies boring for deep leads. The original promoters of both these mines were similar and included Edward Morey and J.A. Chalk of the Seven Hills Syndicate.¹³ In the merger each company was allotted 40,000 shares in the new company - 10,000 fully paid and 30,000 contributing. The promoters of the new company were probably the largest shareholders with their holdings mostly, if not exclusively, in fully paid shares. In 1897 associates of the late John Robb possibly controlled the company. Robb, a former director of the Federal Bank must have been well known to Baillieu¹⁴ and had on at least one previous occasion been in conflict with the Baillieu interests.¹⁵

During the 1890s, W.L. Baillieu & Co. and Malpas and Baillieu stockbrokers were large dealers in a range of mining shares and a number of other closely related companies. In particular they were dealers in large parcels of shares in the Bay Excursion Co., the Herald and Standard, the Outtrim, Howitt & British Consolidated Coal Mine (OHB),¹⁶ and a number of gold mines around Victoria, particularly those companies associated with the Maryborough deep leads. The situation of these mines was not always 'rosy' although Baillieu agent James Cram writing from London on 6 June 1895 noted: 'I see the North Dukes are rather better - that mine beats me'.¹⁷

By early 1897 the Duke United was experiencing sand and water problems and had yet to produce any gold. Consequently the contributing shares were being forfeited in substantial numbers.¹⁸ The North Duke was also making calls. However, after William had left for London in early 1897, brother Edward confided that these calls were not being met and the 'bank won't go over £700' for the overdraft. He concluded that he and Mr Harvey 'will have to throw in the sponge' and noted 'the question as to how it will suit the Duke United'.¹⁹ Thomas Harvey was a mining investor closely

associated with the Baillieu mining interests and the latter reference was as to how the Duke United would manage with their water if the North Duke stopped pumping operations.²⁰ The fact that things were looking grim at the North Duke did not stop Edward purchasing 14,500 forfeited shares in the company 'at cost of call'²¹ whilst the Baillieus owned-holdings in the mine were only 3,000.²²

Around late April the Baillieus received a favourable report on the Duke United²³ and the idea of a take-over of this mine was born. A letter from Arthur Sydney Baillieu proposed buying the Duke United 'straight out' at a price about equal to the value of the machinery £5-6,000 and suggested that they 'tap the government for a thousand or two'.²⁴ At first Edward was hesitant, noting again the Duke United's water problems²⁵ but by early June had come up with the idea of using the bank to force the sale of the Duke United and for a syndicate to buy it. He suggested:

If it is purchased by us and has to be dealt with by us at this end my idea is for the purchaser (who of course will be someone right out of our circle and not apparently connected with us) to offer it back to the old shareholders in proportion to their present holdings but all this to be on a contributing basis'.²⁶

A cable in cipher to William on 18 June 1897 noted that '35,000 [forfeited contributing shares of the Duke United] were to be sold at auction - will try to buy the whole lot'.²⁷ The take-over plan went into action. On 6 July Edward noted that he had obtained the rights to pay calls for all the shares forfeited by the company except for 1,000. Further,

I have now given R.B. Stamp the call of 2000 shares and have got him working, unknown to the Board (the present applicants) to secure the advance [from the Government]. I have not yet fully paid any calls and Stamp is putting the position of the company before the Minister to the effect that overdue calls will be paid on the shares now lying under forfeiture if the government will make the loan.

Also noted was that they would retain the Baillieu interest of 8,500 shares and the parcel of shares sent to London would be kept secret.²⁸

By 13 July, Edward noted that he was applying pressure to the Duke United board via the bank²⁹ and a week later announced 'I now control 41,000 contributing shares, which is a majority of the coy., 20,000 being in London, the others being our own and clients'.³⁰ The following week Edward approached Alfred Outtrim MLA to be on the board of the Duke United, thus a subtle way of finding out if the government loan had been approved.

He also had plans for the board, stating: 'I shall not neglect as far as possible to make the board ornamental as well as useful',³¹ and claimed that:

I have not been able to secure any more shares and my idea is (if we are to get the money from the government) to make a sixpenny call in September next, which would bring in all the weak holders and at the same time put the Coy. in such a financial position as to enable us to put the show through.³²

To further the matter with the government he had seen William McCulloch the previous week, and 'arranged that Sam McCulloch should draft the clause we desire'. Almost as an afterthought he added that '20,000 Uniteds have not cost us more than 6 ½ [pence each]'.³³

Following letters from Edward announced that 'I have the bank worrying the Board about the overdraft' because they controlled 30,000 of 36,000 Duke United contributing shares.³⁴ He also stated that he intended to elect Harvey, Leslie Stuart and himself to the board and later appoint Outtrim and a Maryborough man.³⁵ Harvey and E.L. Baillieu were duly elected to the Duke United board and a grant of £6,500 was obtained from the government.³⁶ The take-over had succeeded.

Inside Information

The about turn in the Baillieu attitudes to both the North Duke and the Duke United is interesting and with regards to the latter mine was almost certainly based on inside information. In March 1897 the Baillieus' were considering abandoning the North Duke but within a few months they were buying large blocks of forfeited shares in the company, this being understandable, for they were intimately involved in the day-to-day operation of this mine. With the Duke United they had no such association and therefore their decision to take-over this mine must have been based on reliable 'inside' information most likely from a number of sources.³⁷ One likely source was the manager of the Duke United – J.A. Chalk of the Seven Hills Syndicate - who had been an active miner on the Maryborough and Creswick deep lead fields for more than 20 years. Chalk had been a promoter with Benjamin Fink in a number of deep lead companies in these fields and was an associate of Fink through the 1880s. Another possible source was John McWhae, at this time a member of the Melbourne Stock Exchange, but formerly a member of the Ballarat Exchange and closely associated with a number of the Duke mines, including the Grand Duke. When Benjamin Fink was Chairman of Directors at the Grand Duke, McWhae had been the manager from 1885-1890. Wherever the information came from it was probably closely examined by mining engineer H.J. Daly and mining investor Thomas Harvey - both of whom worked for the interest of Baillieu before the decision was made to go ahead with the take-over.

The government grant

As far as can be established by the writer, the history of grants to mining companies in Victoria is not well documented. The logic behind the grant was that it would help maintain the employment of miners as a field slowly declined. However, there was always a strong possibility those capitalists who had close associations with various members of parliament would cynically exploit this process. The first casual mention of a government grant by A.S. Baillieu to 'tap the government for a thousand or two' implies both a certain cynicism and a belief that such a 'grant' could be readily and easily obtained. The Baillieus had close associations with a large number of members of both Houses of Parliament through the 1880s and 1890s before W.L. Baillieu himself became a member of that exclusive male club, the Legislative Council, in 1902. Whilst

Benjamin Fink had lost his Maryborough seat in 1889 his replacement was Alfred Outtrim, also a Baillieu associate. A number of other close Baillieu associates were members of the House of Assembly at the time the application for the grant was made, including their solicitors Theodore Fink and Robert Best. One avenue explored by E.L. Baillieu was to get Richard Bulmer Stamp to use his government contacts to ‘bargain’ for a grant by offering to keep the mine running if a grant was obtained. Stamp was the Chairman of Directors of the OHB Mine and generally thought to represent the interests of David Syme, the proprietor of the Age newspaper. Syme in turn was thought to be the ‘chief architect’ of most of the governments in the Colony of Victoria through the 1890s and was the major shareholder in the OHB mine. The result of Stamp’s efforts is not known.

The other avenue tried to obtain a grant was by making a direct approach to William McCulloch MLC, a minister in the Turner liberal government, and also through his son Sam. McCulloch was reputedly a major shareholder in the OHB mine and his brother James was one of the directors. His son Sam McCulloch assumed this directorship after his uncle’s death in 1903. The second approach was probably the successful one and it should be noted that the Government grant was on a £ for £ basis.³⁸ On 11 August 1897, the registered office of the Duke United was shifted to 375 Collins St - the offices of W.L. Baillieu & Co.³⁹

Financial organisation

A number of the financial aspects of the 1897 take-over are interesting. The idea of buying a mine for the price of the machinery or less had been around for a long time and had been successfully exploited by Benjamin Fink about 20 years earlier. Cannon noted that Fink: ‘paid the Australian Coal Company £9,000 for its run down mine at Newcastle, sold the machinery for more than the purchase price, and held the mine for further development’.⁴⁰ More interesting was the use of a syndicate to purchase the shares, a scenario examined in some detail below. When shares were on-sold in London, control of the company share register was maintained and substantial commissions were sometimes made on the share sale.⁴¹ The fact that the right to purchase the forfeited shares was held until the Government grant was assured meant that only a small amount of cash was outlaid before the deal was completed. Assuming that 30,000 shares were bought by Edward Baillieu - the rest being made up of their previous holdings and those of friends – indicates that for an outlay of less than £1,000 the Duke United was taken over. The commission on the sale of the parcel of the 20,000 shares in London may have been larger than the amount expended to gain control of the company.⁴²

This same practice of purchasing blocks of forfeited shares in targeted companies may have already been an established practice. On at least one future occasion it was an incredibly important manoeuvre enabling the Baillieus to gain control of the Victoria Cross mine at Broken Hill. This mine in turn was taken over by, or merged with, adjoining leaseholder North Broken Hill in 1904. The Baillieus subsequently gained control of North Broken Hill and W.L. Baillieu became a director

about 1909. The success of this series of deals initiated with the purchase of forfeited Victoria Cross shares led to the control of one of the major Broken Hill producers and boosted the Baillieu family fortunes for a many decades.⁴³ Finally, it is obvious that putting pressure on the old board via their bank manager was certainly unscrupulous and probably illegal.

A recent paper by Peter Yule outlined in detail some of the financial aspects that followed the take-over of this mine.⁴⁴ Yule noted that W.L. Baillieu:

speculated heavily in the Duke United, in which he and his brothers accumulated 50,000 of the 80,000 shares in the company with a view to selling them in London. Reports of this 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. 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. The surviving records indicate the brothers made a profit of at least £20,000 on the sale of the Duke United mine.⁴⁵

In fact, as this paper clearly indicates, the bulk of the Duke United shares bought by the Baillieus were forfeited contributing shares purchased for a token price, rather than being 'heavy speculation' as recorded by Yule, and were purchased by E.L. Baillieu rather than his brother William. Up to 20,000 shares may have been secretly sold in London before the mine started producing, leaving the Baillieus and their clients with about 30,000 shares.⁴⁶ The 'sudden' appearance of 'large quantities of gold' was hardly a coincidence and almost certainly positively verifies they had received inside information. It is of note, however, that there was a three-year period between the take-over and the first gold sales. The manipulation of this company by the Baillieus is a good example of how such a 'cash cow' was not dependent on dividends alone. Aside from the initial two directors positions obtained in the take-over, Yule noted the Baillieus profited handsomely from reconstructing the company in 1901, and that 'Under the agreement setting up the company Prince (E.L. Baillieu) 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 sold the shares for the prevailing London price of about 25 shillings. In addition Baillieu received a £1,335 commission for reconstructing the company.⁴⁷ No doubt many other perks and positions were also obtained as the Baillieus retained control of this mine until its closure in 1908.

The use of the syndicate

Developed during the land boom, the use of syndicates was almost an 'art'. The finance required was reduced and the risk spread. At the same time tight control of the company was maintained and thus the often lucrative positions of manager, director, auditor and probably lesser positions were shared amongst friends and relatives of the syndicate members. One use of the syndicate was the quick sale from one group to the next, often for a substantial price increase. Michael Cannon records the 'City Road Property' scam

as being the most ‘infamous’ account of a number of closely related syndicate deals during the land boom in which Baillieu was involved. The first syndicate bought a City Road property for £200,000 paying £10,000 deposit and agreeing to pay £20,000 per year. The land was sold within 5 weeks to a second syndicate for £260,000 and a month later sold again to a company called the New Melbourne Property Co. for £300,000. By 1893 when the payments due could not be met, the whole edifice collapsed. W.L. Baillieu was a member of both the first company and the second syndicate. It is not known whether he was a member of the third company, though quite likely he was.⁴⁸ Years later in Broken Hill, syndicates were used to gain control of the zinc tailings of the field. The Broken Hill Syndicate and the Share Guarantee Trust were the vehicles used and the options on the zinc tailings quickly on-sold. Peter Richardson noted: ‘The real profit lay not in buying and selling of options but in opportunities for speculative share dealing and capital appreciation that derived from the purchase consideration and the additional right to subscribe for 100,000 ordinary shares at par at a time when Zinc Corporation shares were trading at a substantial premium’.⁴⁹

Conclusions

Control of the Duke United GMCo. was obtained by a mixture of legal, secretive and shady practices. The take-over proceeded only on what was considered sound inside information, now an illegal action but not so at that time, though still considered unethical. Without secrecy there would be no advantage and the takeover would have been impossible, as the shares would hardly have been forfeited if there was promise of returns, and the calls would have been largely met. Second, the use of close friends in office to obtain a government grant was a form of corruption and an illegal action on the part of both the applicants and the government minister involved. Third, the applying of pressure to the old board through their bank manager was also a corrupt activity - using an associate to force change that brings the initiator financial advantage. However, the advantage obtained by the attempt appears to have been minimal, unless it helped force changes to the board more rapidly than otherwise. The action of the bank manager, had it become known to his superiors, would certainly have cost him his job. On the other hand, the use of syndicates, and the selling of large blocks of shares in London was legal then as it is now, and both practices brought substantial financial gain at the same time as maintaining company control.

The 1897 takeover of the Duke United GMCo. contained all the hallmarks of a smooth Baillieu operation. It would appear that Edward Baillieu was just as competent in this regard as his older brother William and that his expertise in stock market operations probably equalled if not exceeded that of his brother. They had no doubt employed similar coups using the same tactics before, and were to repeat them in whole, or in part, on a number of future occasions. The 1890s and early 1900s is known as the ‘swan song’ period of the Victorian gold fields. The Duke United closed ten years later in 1908 having produced 55,000 ounces of gold and issued £45,000 in dividends from about £220,000 in gold sales.⁵⁰ At this time the mine was owned mainly by English investors, indicating that sizeable commissions had also been earned by the

Baillieus when selling the Duke United shares in London.⁵¹ It was thought the North Duke mine was 'about worked out' in 1903 - although it had been written off many times before, as noted in the comments by James Cram and Edward Baillieu above. To that date, this mine had paid £32,750 in dividends.⁵² The Baillieus controlled the Duke United for 10 of its 15 years, most of that period proving productive, and they controlled the North Duke for an even longer period of time. The amount that they earned from these two companies during this time in wages, dividends, directors fees, commissions on share sales and other share dealings, must have been very substantial.

Endnotes

1. Partly researched and written with assistance from the Search Foundation, Surry Hills, NSW.
2. 'Chalks Freehold', Defunct Mining Co. Records (DMCR), VPRS 567/P0, Unit 147, Item 2296, Public Records Office of Victoria (PROV).
3. 'The Seven Hills Syndicate', VPRS 567/P0, Unit 165, Item 2483. The syndicate's most famous mine was the Madame Berry. It owned half the shares and earned fabulous sums by purchasing the 'Seven Hills' property which overlaid much of the Creswick deep lead system prior to its discovery, see DMCR, VPRS 567/P0, Unit 91, Item 1629, PROV. Besides controlling many of the mines on the property including the Loughlin GCo (DMCR, VPRS 567/P0, Unit 72, Item 1384) Ristori GCo (DMCR, VPRS 567/P0, Unit 71, Item 1374) and Ristori West GCo (DMCR, VPRS 567/P0, Unit 214, Item 2940) the syndicate also received royalties from a number of other mines before the property was sold in 1907. The syndicate was made up of M. Loughlin, W. Bailey, E.C. Moore, J.A. Chalk, R. Orr, D. Ham, E. Morey, and H. Gore. Formed in 1882 the main shareholders were William Bailey with 4,500 shares and M. Loughlin with 4,000 out of a total 10,000 shares.
4. Fink had an interest in other mines in the Maryborough district including Kong Meng No. 2 (DMCR, VPRS 567/P0, Unit 375, Item 3796), Shaws Reef (DMCR, VPRS 567/P0, Unit 287, Item 3577), Chalks Estate (DMCR, VPRS 567/P0, Unit 287, Item 3576), Majorca United Leads (DMCR, VPRS 567/P0, Unit 287, Item 3578), Napier Extended GCo (DMCR, VPRS 567/P0, Unit 287, Item 3582); Gays Band of Hope GCo (DMCR, VPRS 567/P0, Unit 303, Item 3708); Chalks Freehold GCo (DMCR, VPRS 567/P0, Unit 147, Item 2296), Chalks No 1 (DMCR, VPRS 567/P0, Unit 254, Item 3556). In 1897, prior to the take-over, he held 1800 shares in the Duke United.
5. Michael Cannon, *The Land Boomers*, MUP, Melbourne, 1967, p. 149.
6. Betty Osborn & Trenear Duborg, *Maryborough: a social history*, Maryborough City Council, Maryborough, 1985, p. 215. In 1891 W.L. Baillieu was a director of this company and in 1892 became legal manager on £4 per week about the time the registered office changed from High St Maryborough to the Rothchild Chambers, 360 Collins St. This change roughly indicates when the Fink/Baillieu group gained control of this company. Control of the company meant jobs and other perks, for as well as the legal manager, this included W.L. Baillieu & Co earning £2 per month for clerical assistance, and employing his younger brother Clive for £1 per month, his friend P.P. Cook as the accountant, and associate Salis Fischer as the auditor.
7. *Ibid.*, p. 216; 'North Duke GCo.', DMCR, VPRS567/P0, Unit 413, Item 4441, PROV.
8. Baillieu's secret composition for proven debt was £22,400.11.4 on 26 July 1892, see DMCR, VPRS 763/P0, Unit 06, Item 70C; Benjamin Fink's proven debt was £296,560.11.4 on 21 September 1892. See DMCR, VPRS 763/P0, Unit 9, Item C100, PROV. For more detail of the compositions see P.D. Gardner, 'Brief Notes on Some Fraudulent Aspects of the secret compositions of William Lawrence Baillieu and friends 1892', *Victorian History Journal*, vol. 80, no. 1, 2009.
9. 'Composition of Munro & Baillieu', DMCR, VPRS 763/P000, Unit 06, Item 70A, PROV.
10. Benjamin Fink paid a halfpenny in the pound on just under £300,000 (see note 8). His original outstanding debts as listed by Cannon amounted to £1,019,275. Fink did not retire to London as stated by Cannon but he certainly kept a low profile and appears to have remained in Victoria at least for the next four years. He was in London in 1897 and died there in 1908. See, Cannon, *The Land Boomers*, pp. 153, 212.
11. Baillieu Allard Papers, (BAP) 78/14/23/1, University of Melbourne Archives [UMA]. A small stamp, or stamp duty, and receipt book indicates that the Munro & Baillieu offices at 243 Collins Street traded through the bankruptcy of their firm and its partners to Saturday 30 July 1892. The next transaction

recorded was on Friday 5 August 1892, indicating a maximum closure of four working days for the changeover.

12. David Bannear, *Historic Mining Sites in the Maryborough and Avoca Mining Divisions*, Department of Conservation & Natural Resources, Melbourne, 1984, p. 155; 'Royal Duke GMCo', DMCR, VPRS567/PO, Unit 470, Item 4920, PROV; 'Duke of York', DMCR, VPRS567/PO, Unit 471, Item 4935, PROV.

13. 'The Duke United GMCo', DMCR, VPRS 567/P0, Unit 502, Item 5271, PROV.

14. John Robb was a founding director of the Federal Bank, the bank controlled by James Munro, Baillieu's partner's father, and the bank that provided generous loans for the Munro & Baillieu partnership and other Baillieu accounts. Baillieu's father-in-law Edward Latham was also a director of this bank from 1890 to 1892. See Cannon, *The Land Boomers*, pp. 117-125. Robb died in 1896.

15. Robb was associated with the Daily Telegraph 'wowsers' and was a promoter of City Newspapers, which purchased the *Herald & Sportsman* in 1890. The Daily Telegraph 'syndicate' on-sold City Newspapers to Victoria Newspapers, another tightly controlled company, in an attempt to deprive the original Herald & Sportsman shareholders, Baillieu, Theodore Fink and six others, of their interest. This attempt failed and by late 1893 the Herald & Sportsman shareholders had regained control of Victoria Newspapers and then proceeded to what has been described as a 'mild take-over' or merger with the *Evening Standard*.

16. W.L. Baillieu was at this time a director in each of these companies.

17. BAP 93/5/53, UMA.

18. *Ibid.*, 3 June 1895, receipt for 1/- call on 1,860 contributing shares in the Duke United held by Benjamin Fink.

19. *Ibid.*

20. *Ibid.*, Letter ELB(aillieu) - WLB(allieu), 12 March 1897. As the mines were situated adjacent to one another and on the same lead, the cessation of pumping by one company added to the burden of water to be pumped onto the other company.

21. *Ibid.*, Note there are many discrepancies in this correspondence including the sum of £3,000 for this transaction which was most likely £300. If the call was for 1 shilling then the sum should have been approximately £725, for 6d only £363.

22. *Ibid.*

23. *Ibid.*, letter ELB – WLB, 26 April 1897.

24. *Ibid.*, letter ASB(aillieu) – WLB, 18 May 1897

25. *Ibid.*, letter ELB – WLB, 25 May 1897.

26. *Ibid.*, 8 June 1897.

27. *Ibid.*, cable to WLB, 18 June 1897.

28. *Ibid.*, letter ELB-WLB, 6 July 1897. Note shares sold through London gave the Baillieus a commission and/or possibility of some profit and more importantly practical control of the voting rights of these shares.

29. *Ibid.*, 13 July 1897.

30. *Ibid.*, 20 July 1897.

31. *Ibid.*, 27 July 1897.

32. *Ibid.*

33. *Ibid.* The Baillieu group acted in close association with a number of William McCulloch companies including the Bay Excursion Co., see DMCR, VPRS932/P0, Unit 56, Item 927, PROV, and the Howitt & British Consolidated Coal Mine, see DMCR, VPRS932/P0, Unit 491, Item 5145, PROV. McCulloch was chairman of the former company for many years and Baillieu was a director of both. Another example of collaboration between Baillieu and McCulloch may have been with the London Bank of Australia. Cannon wrote that Baillieu, 'began buying bank shares, notably those of the London Bank of Australia, which could be picked up extremely cheaply after the bank crash of 1893. ... As economic conditions slowly stabilised and improved in the late 1890s, bank shares and properties increased greatly from their depression values. Baillieu who eventually owned a major interest in the bank, arranged an amalgamation with the English, Scottish & Australian Bank', Cannon, *The Land Boomers*, p. 137. I have so far been unable to verify this claim.

34. Letter ELB – WLB, BAP 93/5/53, 29 July 1897, UMA.

35. *Ibid.*, 3 August 1897. On 10 August Edward announced that he, McRorie and Harvey had been elected to the Duke United Board. This was either Daniel McRorie, importer, who had a secret composition in 1893, see Cannon, *The Land Boomers*, p. 215, or James McRorie (note various spelling) a mining investor and one of the promoters of the reconstructed Duke United.

36. Letter ELB – WLB, BAP 93/5/53, 29 July 1897, UMA.

37. The run of the deep leads in the North Duke would also have been an indicator of the possible paths of gold bearing gravels in adjoining leases but hardly likely to have justified the decision to purchase on its own. It is most likely that there were a number of different 'sources' involved - including the report they received above (see note 23) and possibly included 'word of mouth' from an experienced miner.
38. This appears in Duke United GCo NL books for the half yearly report 30 December 1897. This grant was £4,500 rather than £6,500, and may have been the first of two instalments. See DMCR, VPRS567/PO, Unit 502, Item 5271, PROV.
39. *Ibid.*
40. Cannon, *The Land Boomers*, p. 149
41. The sale of shares in London brought a commission of 1shilling 3d per share or £300 on the parcel.
42. The details of these transactions are not known. The buying price was probably a small margin above the cost of the call, indicating that it was probably 6d. The total cost of these shares could have been as low as £820 whilst the commission on the sale of the shares - if it was similar to the OHB sale at 1sh 3d **per** share - could have been as large as £1,250.
43. Peter Richardson, 'Collins House Financiers W.L. Baillieu, Lionel Robinson and Francis Govett, in R.T. Appleyard and C.B. Schedvin, *Australian Financiers: Biographical Essays*, McMillan, Melbourne, 1988, p. 231.
44. Peter Yule, 'Searching for WL Baillieu at Public Record Office Victoria', in *Provenance: The Journal of the Public Record Office Victoria*, no. 8, September 2009.
45. *Ibid.*
46. Some of the 20,000 parcel of shares - and possibly all of them - were sold in London but to date I have not located any more precise information. Letter ELB – WLB, BAP 93/5/53, 29 July 1897, UMA.
47. Yule, 'Searching for WL Baillieu at Public Record Office Victoria'.
48. Michael Cannon, *Land Boom and Bust*, Heritage Publications, Melbourne, 1972, pp. 72-3.
49. Richardson, 'Collins House Financiers', p. 235.
50. Bannear, *Historic Mining Sites*, p. 155; 'Duke United GCo (reconstructed)', DMCR, VPRS 567/PO, Unit 647, Item 797, PROV. Yule, 'Searching for WL Baillieu', has the Duke United producing 'about £50,000 worth of gold per annum and paid dividends of up to £25,000 per annum'. According to the Defunct Company Records the mine was producing from 1900 to 1907 but in only two of these calendar years (1903 & 1904) did production just exceed £50,000. Eight dividends were issued during this time and in no year did the dividends exceed a total of £17,500.
51. The question of share sales in England is problematic. It is not known how many of the original 20,000 contributing shares were sold in London, and Yule indicates that few if any were sold initially. These shares represented 25 per cent of the original company. On the assumption that they were all eventually sold this would have translated into 16 per cent of the shares of the reconstructed company. As well, it can probably be safely assumed (as Yule has done) that the 36,000 shares that E.L. Baillieu had the rights to were all sold in London, giving the proportion of English shareholders as 52 per cent. It is also most likely that in the period after the Baillieus took control of the Duke United and before the company began producing gold (June 1897 to June 1900), that a further large number of share transactions in this company took place, including purchasing those shares forfeited for failing to meet calls. Also it is most likely that the Baillieus' sold down their holdings as the gold production and dividends began to decline. Thus it is most likely that towards the end of the mine's life the English investors were in a substantial majority.
52. Bannear, *Historic Mining Sites*, pp.152-3.
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