

Book Reviews

John Woodland, *Money Pits: British mining companies in the Californian and Australian gold rushes of the 1850s*, Ashgate Publishing, Surrey, UK, 282 pp. ISBN: 978-1-4724-4279-6. Hardcover. £70.

The short title of this book is most apt, encapsulating in two words the exuberant promises and sorry reality of the vast majority of British ‘gold bubble’ companies of the early Californian and Australian gold rushes. *Money Pits* is a fascinating account of the ‘gold bubble’ event between 1849 and 1853 that saw a rush to set up nearly 120 public companies to exploit the newly discovered and booming goldfields. The proposed companies ranged from newspaper advertisements that went no further, to several that were outright frauds, to speculative hopefuls and a number that made serious, but mostly unsuccessful, attempts to profitably mine for gold. They were collectively capitalized at over £15 million, but only about £1.75 million was actually raised by 42 of them. Of the 42 companies eventually floated only one succeeded in gold mining.

In the book, Woodland takes the reader through a logical sequence of chapters starting with a brief introductory overview of the beginnings of the ‘gold bubble’ companies. Chapter 2 examines the various company promoters, their backgrounds and *modus operandi* and includes a more detailed section on John Diston Powles, probably the most prolific promoter of British overseas mining ventures in the first half of the nineteenth century.

The company structures are described in Chapter 3, covering the three options available at the time in Britain: joint stock companies; cost book companies; and incorporation by Royal Charter, as well as the *Sociétés en Comandite*, based in Paris but with British offices, and options available in Australia and America. This chapter also summarises other aspects relevant to the forming of the companies, including a useful insight into the amounts of money raised and invested and sections on mining methods and technology and some of the mining experts involved.

Chapter 4 entitled *Government Policies and Mining Law*, gives an excellent summary of the mining laws and their evolution in both California and the Australian colonies up to and during the gold rushes. The difficulties for the company miners arising from the various government policies, evolving legal frameworks and societal factors, particularly the strident antipathy to company mining by the independent diggers on the rich alluvial goldfields of Victoria, are well highlighted. This chapter also includes a brief exposé on the initial reluctance of the British Colonial Office to promote the search for payable gold in New South Wales, despite its indications and the recommendations of geologist Roderick Murchison following his correspondence with William Tipple Smith, one of the early discoverers.

Detailed accounts of the main ‘gold bubble’ company operations and their outcomes in both California and Australia are presented in chapters 5 and 6 respectively. These include nine companies in California and ten in Australia that had

raised sufficient capital to attempt mining operations, but were ultimately unsuccessful. The shortcomings and obstacles that plagued and ultimately defeated these operations, as well as the leading characters in their stories, are well described in this major section of the book. Many of the problems were related to money and distance, including undercapitalisation, lack of ongoing support from speculating investors, slow communications and a poor understanding of local conditions. Incompetent, corrupt or ill chosen directors, poor management of operations in the field, inappropriate processing equipment and difficulties in obtaining secure title over suitable land were other common problems that also took a toll. Woodland notes that despite the problems several of the companies in California were finely balanced between failure and success and given a little luck may well have succeeded. Some, including the Carsons Creek Consolidated Mining Company, the Rocky Bar Mining Company and the Quartz Rock Mariposa Gold Mining Company, were on rich deposits that were eventually worked with great success by local companies.

British companies operating in Australia faced some unexpected drawbacks. It was assumed that as Australia was a British possession and subject to British Law it would be easier to obtain secure land title and that the Colonial Office could be relied on to assert some influence over the colonial governments. However, as Woodland points out, the colonies by this time had a degree of autonomy and the British Government declined to intervene in what it regarded as colonial matters. The success rate for company mining was little better than in California, although one company, the Peel River Land and Mineral Company, a failure at gold mining in the Nundle area of northern New South Wales, went on to become a very successful agricultural company.

As the ‘gold bubble’ companies began to fail, particularly after 1853, a number of critics and activists took up the cause of the unhappy shareholders. In Chapter 7 Woodland briefly outlines the activities of several single issue campaigners, including Christopher Richardson, metallurgist David Mushet and mining engineer Evan Hopkins. He goes on to give a more detailed account of the ‘gold mining shareholders’ friend’, Haim Guedella, who waged a sustained campaign against incompetent and corrupt company management, as well as advocating for a dedicated mining exchange in London with specialist brokers and greater transparency in share trading. Guedella acted as a catalyst to bring company directors to account by encouraging shareholders to band together and if necessary convene their own meetings and investigating committees. His efforts, including weekly letters to the *Mining Journal*, resulted in a flood of litigation to better codify and regulate joint stock companies.

Chapter 8 is devoted to the only successful ‘gold bubble’ company, the Port Philip and Colonial Gold Mining Company. This company was established in early 1852 to mine gold in Victoria, but was thwarted in its attempts to establish large-scale company mining until it secured leases on freehold land at Clunes in January 1857. During this time the company was able to survive partly through its gold buying, assaying and smelting activities. Its subsequent success was largely due to the skill and efforts of resident director and manager Rivett Henry Bland. In 1855 Bland changed the company objective from alluvial mining to quartz reef mining, specifically to the crushing and processing of ore mined by other parties. Acquiring titled access to the

rich quartz veins at Clunes through an agreement with the private landowners was the major step to success. Bland astutely set up a separate co-operative company, the Clunes Quartz Mining Company, to involve the local diggers in the actual mining, while the Port Phillip Company took care of the crushing and gold extraction. This pragmatic move helped avoid some of the antipathy towards company mining that had dogged the company in its earlier efforts. At Clunes, the Port Phillip Company established itself as a world leader in the efficient treatment of auriferous quartz and was able to operate successfully for more than three decades, producing over half a million ounces of gold and paying £225,000 in dividends. Woodland has spent many years researching the Port Phillip Company and this chapter is a valuable distillation of his in-depth knowledge of its history.

In the early period of the Australian gold rushes, colonially based and funded joint stock companies were uncommon. As Woodland explains, this was largely due to the necessity of gaining a parliamentary Act of Incorporation to limit shareholders' liability. Legislative changes, particularly in Victoria after 1860, facilitated the formation of local mining companies, which combined with changed attitudes towards the issuing of mining leases to companies led to a boom in local gold mining companies. Woodland sees this as the start of the post 'gold bubble' period and describes the developments in a chapter entitled the *Last Hurrah*. This chapter provides details on the investment activities of the Port Phillip Company and its initiate the Victoria (London) Mining Company. The latter was specifically set up as a mining investment company with British capital and during the 1860s invested £45,000 across 36 Victorian gold mining companies. Despite the failure of many of its investments the Victoria Mining Company was a modest success, distributing over £25,000 in dividends.

Woodland summarises the key factors that led to the failure of the British-funded 'gold bubble' companies as a short conclusion to the book. He points to some commonality, such as: communication difficulties that often led to confused decisions and sight unseen agreements; insufficient capital raisings; inappropriate selection of directors; application of newly invented and unproven processing machinery; problems with management on the ground; and difficulties arising from government policy. He further concludes that a suite of contemporaneous issues in both California and Australia with similarities and differences, contributed to the ultimate failure of the bubble companies and caused hardship for many shareholders and ruin for others, but at the same time revealed the need for sweeping reforms to corporate governance and government regulation.

Money Pits is well written and generally easy to read. In the preface Woodland notes that the book developed from research for a doctoral thesis and this is reflected to some extent in the structure and style. There is some repetition across the chapters, but this is probably an unavoidable feature of the structure. The book is well illustrated with locality maps, images of key personalities and share certificates for some of the more interesting companies, as well as copies of 15 satirical sketches from an anonymous pamphlet of the time, highlighting the experiences of the hapless shareholders in the 'gold bubble' companies. The author has included useful appendices containing

separate lists of the 120 companies proposed for California and Australia, the capital raised and a chronology of the companies. There is also a detailed bibliography and comprehensive index.

Overall *Money Pits* is a good overview account of British ‘gold bubble’ companies and their activities during the Californian and Australian gold rushes of the 1850s. It makes a major contribution to understanding the ‘gold bubble’ event and the companies involved, and is particularly important given that historical accounts of these gold rushes have been dominated by the story of the independent diggers, with less attention to company mining. Historians with an interest in the gold rush era or mining corporation history, mining history buffs and geologists will find it an interesting and useful reference text.

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Garry Richardson, *Tin Mountain: the European and Chinese History of the Blue Tier, Poimena and Weldborough*, Forty South Publishing, 2013, pp.i–xvi, 352 pp, with maps and illustrations, ISBN 987-0-9922791-3-4 (HB).

The Blue Tier (the ‘Tin Mountain’ of the title) is a small forested mountain in the north-eastern highlands of Tasmania with great natural values, an extensive history of tin mining, and possibly the richest array of mining sites and mining artefacts in the state. Today, while still subject to mineral exploration and timber harvesting, the Blue Tier Forest Reserve is prized by bushwalkers, conservationists and mountain bikers. Poimena was a small settlement near the top of the tier, and Weldborough is a small former tin-mining settlement nearby on the Tasman Highway, known today for its historic hotel. Many of the sites and some of the Blue Tier’s history were described by archaeologist Greg Jackman in his *An Archaeological Survey of the Blue Tier Tin-Field*, a report to Forestry Tasmania in 1998, but Jackman’s report is now hard to find. A general history of the area is therefore very welcome.

Garry Richardson, a former forester in north-eastern Tasmania, has written several previous works of local history and local biography. He has a long experience of his subject area, and is to be congratulated on his dedication and perseverance in putting this book together. *Tin Mountain* is divided into six chapters, two of which, ‘Tracks and Transport’ and ‘Mining’ are very short. The other chapters deal at length with Poimena, Weldborough, Blue Tier mines and Weldborough mines respectively. The book begins with the discovery of tin on the Blue Tier in 1875 and covers the modern era of forestry and recreation, although not the recent ecological debate (including the ‘Save the Blue Tier’ campaign) about the tier.

Tin Mountain is both a delight and a frustration. Its strength is the richness of the material available, the fascinating historical photos, charts and sketches, and the insights gained from interviews. It benefits from an impressive amount of in-the-field, oral and

archival research, and is presented with the flair and consistency typical of Forty South productions, with a useful glossary, good index and stylish appearance.

Of particular interest to those who have seen and heard the stamper battery operating at the Beaconsfield Gold Mine Centre, is the story of its working life as the Chintock Battery on the Blue Tier, described here by Richardson. Chinese mining and miners are covered at length, although there is little analysis of either Chinese emigration and culture or the Cornish mining tradition which influenced both alluvial and reef mining in the north-east.

The book's weaknesses are fairly typical of local histories. It is easy for an historian to be overwhelmed by the volume of material he or she needs to process in order tell a story. *Tin Mountain*'s chief weakness is Garry Richardson's habit of directly quoting sources at great length, rather than choosing relevant short quotes to illustrate a story or an argument. This book could have been half as big and much more readable had Richardson chosen to be more author and less compiler. His style is idiosyncratic. For example, the five-page chapter 'Mining' contains very little editorial, but a four-page quote from pioneer prospector Mark Ireland; two interesting, relevant historical photos; and another wrongly captioned photo which while it does illustrate alluvial mining, actually shows osmiridium miners on the other side of the island. Does the subject of cricket played at Weldborough really need six pages of its own? The book covers the Blue Tier and Weldborough mines and settlements, but Richardson only deals with the most important mine in the district, the Anchor, and the town that it produced, Lottah, in passing. This is presumably because while once the headquarters of the Portland Municipality, they are the subject of his next publication. They could easily have been dealt with here, in context, making this a better book.

If you expect history with a story, analysis and context, you may find *Tin Mountain* hard going. If you want an encyclopedia of mines and people in the Blue Tier/Weldborough region (but not necessarily the Anchor tin mine/Lottah) of north-eastern Tasmania, you will find much of interest here, painstakingly researched and lavishly presented.

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