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PREFACE

This journal is the third in a series commenced in 1976. In that year it was decided to publish the most original and best presented papers received in Australian History. The essays involved original research and frequently touched on local history topics.

The 1976 initiative has attracted a good deal of favourable comment. The journal now in fact circulates to most Australian libraries.

Our students this year have maintained the standards of previous years. The papers are relevant and imaginative. Congratulations are extended to those whose papers have been selected for publication to the "honorable mentions" listed below, and to the many other students who invested energy and hours in the project.

Howard Byfield  "The Settlement of the Rivers"
Graham Byrnes  "Whaling off the East Coast of Australia"
Suzanne Javes  "The Significance of the Hotel in Australian History"
David Kilby  "The Federated Seamen's Union of Australasia and the 1925 Elections"
Danny McCloghry  "Governor Phillip and Major Ross - the Settlement under Strain"
Stephen Pullin  "St. John's Theological College - Armidale to Morpeth"
Tim Wellcox  "The Bush Myth in the Australian Legend."

C. Bacchi
P. Hempenstall
N. Rutherford.

Once again, the History Club is pleased to be associated with the presentation of this collection of essays. The finished product is a fitting tribute to the authors of the essays as well as Carol Bacchi, Peter Hempenstall and Noel Rutherford of the History Department who initiated the whole project.

History Club Executive.
EARLY STEAMSHIPS AND THE HUNTER TRADE 1830 – 1855

BY

HUGH THOMSON

SYNOPSIS:

Australia’s sea communications in the early nineteenth century were revolutionized by the introduction of steam powered craft. This paper looks at the role of the early Hunter Valley settlers in developing many of Australia’s early steamships and how steam navigation, and the battle for monopoly control of the Hunter trade affected the development of settlement and trade in the Hunter Region.
As Geoffrey Blainey has pointed out in his book *The Tyranny of Distance*, Australia's main problem in the early days of settlement was distance and the lack of cheap and efficient transport. The Hunter Valley was singularly lucky in having a system of navigable rivers which it could turn to for the transportation of its produce. Before the advent of steamships the Hunter Region was served by sailing vessels which ran regularly between Sydney and Newcastle. From Newcastle passengers could reach Maitland by small sailing packets equipped with oars and sweep which plied the river. But with miles of twisting river to navigate, these small boats were singularly unattractive mode of transport and most people preferred to send their baggage by boat, travelling the rest of the way on horseback along the bride path to Maitland.3

This system of navigable rivers in the Hunter Valley gave impetus to the rapid settlement of the region. Despite the obvious drawbacks of sail-powered craft on rivers such as the Hunter, Williams and Paterson, the settlers turned naturally to these waterways as a means of transporting themselves and their produce to Sydney. It was inevitable then that the coming of the era of steam powered shipping on the Australian coast should have its genesis in the Hunter trade. Many of the early paddle-steamers were shaped from the natural timber along the banks of the rivers by the settlers themselves and were specifically designed for the Hunter trade. As the settlers turned more and more to rely on these steamers as their main means of communication and transport so the steamers in turn had a marked effect on the development of their trade and settlements.2

The potential for steam powered craft in the Hunter trade was recognized early in the history of the settlement. The editor of the *Australian* on the 3 February, 1830 wrote:

> All that is wanted on this River (Hunter) to render the land of double value, and the good people of Sydney a good supply of garden and dairy product at half the present money, is a good stout and powerful but small steam boat, to ply between Sydney and Maitland twice, and Hawkesbury once a week. There is coal at Newcastle and plenty of wood at the river edge. Why does the Government not get a steamer, so as to show the example.3

But at the time the editorial was written the events which were to establish steamships as a reality in Australia were already under way.

In 1828, two experienced shipbuilders, William Lowe and James Marshall, arrived in the Colony. Under the guidance of entrepreneur Sydney merchant John Hickey Grose they selected land on the bank of the Williams River at Clarence Town and by 1830 had set up a shipyard complete with a wet dock carved from a convenient creek. After building a few small boats to get the feel of the local wood they laid the keel of the first Australian steamship, the 'William the Fourth', in early Feb. 1831.2 J.H. Grose had probably commissioned the building of this steamship soon after he had met Lowe and Marshall in 1828. In the meantime, probably unknown to Grose, the paddlesteamer 'Sophia Jane' was on her way to the Colony from Britain. These two vessels together with the little river steamer 'Surprise'2 to provide the impetus for a spate of steamship building and steamship companies which were to prove an invaluable asset to the farmers and graziers of the Hunter Region.

The little cutter 'Lord Liverpool' had offered, when the weather was suitable, a twelve-hour passage from Sydney to Newcastle for a cabin fare of £3 0s. (wine and spirits included). The 'Sophia Jane' and later the 'William the Fourth' offered the same trip in less than eight-hours, were less dependent on the weather and had the added advantage of continuing the trip up the river to Morpeth. Although the owners of the 'Lord Liverpool' cut their rates, both on their run between Sydney and Newcastle and on their river packet the 'Jessie', the novelty, speed, and convenience of the early steamers ensured their popularity.

In the heady days of the 1830's, with plenty of capital available in the colony3 the number of steamships operating in N.S.W. rapidly increased. Of the first twelve steamers, seven were built on the Hunter and Williams rivers and five of these at the Clarence Town yard of Lowe and Marshall.8 The quality of workmanship in these early steamers was remarkable. In Britain it was generally considered that the frames for steam vessels should be of iron, yet those Hunter Valley steamers, built mainly of flooded-gum, in most cases outsailed the imported wooden steamers.8 The main problem facing the early colonial builders were the engines. These had to be imported from Britain at a cost often in excess of the cost of the locally built vessel. Lowe and Marshall's second paddle-ship was a shallow draught paddle-ship for the Parramatta river trade and was designed to be powered by a team of horses. Her first trip to Parramatta was made on 5 October 1835 and we are told:
Some difficulty was experienced in getting the horses to work, but when they did they moved her at 6 M.P.H. 10

Ingenious as the mechanism was, it proved as unpopular with the passengers as with the horses. She was later bought by Edye Manning who emancipated the horses and put a 12 H.P. steam engine in her. 1

While Edye Manning was busy trying to monopolize the Parramatta trade, Grose had quietly acquired the 'Sophia Jane' and for a short time enjoyed a monopoly of the Hunter trade. The trade was lucrative and expanding and soon attracted the attention of some Sydney entrepreneurs. In 1833 they formed the Hunter's River Steam Packet Association 12 with the aim of competing with Grose for the Hunter trade. Their sole asset was the fine steamer 'Ceres' built for them by Lowe and Marshall. It was a fine ship of 200 tons with spacious decks and a ballroom, and for a short time she was Queen of the run. Six months after commencing trade, and at a time when the company was thinking of expanding its trade by ordering another colonial built steamer, the 'Ceres' was wrecked on the well known navigation hazard the Bullee Norglen rock. 14 There was no loss of life but the loss of the 'Ceres' brought the company to an end.

Once more the Hunter trade reverted to a monopoly with Grose's two steamers, the 'Sophia Jane' and 'William the Fourth', running a regular but insufficient service between Sydney and Morpeth. With cleared land coming into cultivation and with increased settlement the Hunter Region was becoming an important source of supply for the Sydney market. Rapid, frequent, and reasonably cheap transport was the backbone of this trade. Attracted by this growing trade the steamers 'Maitland' and 'Tamar' entered the run. The Maitland had been built for Edye Manning at Sydney and the 'Tamar' was owned by the infamous J.T. Wilson. Despite some opposition sailings and rate cuts by Wilson's 'Tamar', these three owners seem to have co-operated well in sharing the trade. Part of the reason for this was probably the high prices for produce between 1835 and 1839 which tended to nullify the effectiveness of lower rates in attracting trade to a particular boat.

In the late 1830s two events occurred which were to have a distinct effect on the Hunter trade. In 1838 J.T. Wilson, now the owner of the 'Sophia Jane' as well as the 'Tamar', left the colony and a debt of 30,000 pounds behind. 16 He also left his two steamers swinging idly at anchor in Sydney Harbour. In 1839 the Illawarra Steam Packet Company was formed to service the South Coast. T. Shadforth, a trustee of the Company, bought the 'Maitland' from Edye Manning 17 and by mid June she had started sailing to the South Coast. 18 The withdrawal of the 'Maitland' and Wilson's steamers left the Hunter trade with a newly arrived and unsuitable deep draught steamer the 'James Watt' as the sole link with Sydney.

Only eight years had passed since the advent of the first steam service between Sydney and Morpeth yet steamships had become so important to the Hunter trade that when the service was cut, Hunter Valley entrepreneur John Eales moved quickly to form a new company. 19 The object of the Company was to trade specifically between Sydney and the Hunter. Eales faced some heavy opposition to the formation of this Company. Almost everyone who had anything to do with steamships was racing to build or buy steamers to fill the gap in the Hunter trade. A.B. Spark, whose General Steam Navigation Company 20 was in the process of buying Wilson's 'Sophia Jane' and 'Tamar', objected strongly to the formation of the Company. J.H. Grose, who was having the 'Sovereign' built for the Hunter trade by the Sydney shipbuilder Chowne, objected. Other objections were J.H. Grose and John Korff who were having the 'Victoria' built at Korff's Raymond Terrace yard. 21 Despite these objections the Hunter's River Steam Navigation Company was formed and three of the latest iron-hulled steamers were ordered from Britain. In this meeting can be seen the genesis of the coming battle to gain control of the lucrative and expanding Hunter trade.

In 1841 the H.R.S.N. Co's three iron-boats arrived from Britain. They were the 'Rose' the 'Thistle' and the 'Shamrock'. Barely a year after they had started running, the rival G.S.M. Co found itself in difficulty from a combination of opposition sailing, rate cutting, and bad management. The Sydney Herald of 12 Feb., 1842 said of the G.S.N. Co.

Bad management was responsible for their winding up. Their first investment of capital their subsequent scale of outlay in current expenses, and their lavish and premature division of profits were injudicious in the extreme.

These ill considered purchase of Wilson's 'Sophia Jane' and 'Tamar' also had a great deal to do with their downfall. Polack, a creditor of Wilson's had gained a court judgement which enabled him to claim 4,500 pounds
from the trustees of the Company. In the economic crisis of 1842 neither the Company nor the individuals were able to meet this relatively small claim. By September 1842 the Company had sold its last steamer the 'Tamar' and was finally wound up. The H.R.S.N. Co. now found itself with a monopoly of the Hunter trade and subsequently pushed up its rates.

Although the rates now charged by the H.R.S.N. Co. were in fact slightly lower than had been charged in the days of sail, the people of the Hunter Valley had had a taste of low rates occasioned by the stiff competition of previous years and did not succumb quietly to the higher rates. The editorials and letters in the Mainland Mercury, from June 1843 to July 1844, complain bitterly against the high rates charged by the H.R.S.N. Co. Many of the Hunter Valley merchants turned to sail for the transportation of their goods. A strong movement to have Newcastle declared a free port sprang up, as did the movement to have the river flats dredged. But the real impetus behind this resentment of the H.R.S.N. Co. lay in the low prices received for produce than in the higher freight rates. For instance, egs which had been selling in Sydney for 1/- a dozen in 1831 were selling for three-pence a dozen in 1844. The freight rate had been fixed at one-penny a dozen which meant in weighted terms a four-hundred percent increase. As a letter in the Mainland Mercury of March 5 1844 puts it:

Depression has occasioned a fall in the prices but steam boat prices had been frozen when the market was high. The want of consideration on the part of the steam boat managers has very properly produced a strong feeling against the steam boats as a means of conveying produce to Sydney.

In July, 1844 the monopoly was broken with the re-entry of the 'Sophia Jane' into the Hunter trade and the "long wished for reduction in rates at last took place." It was not long before the editor of the Mainland Mercury was voicing alarm about the cutthroat method of competition engaged in by the H.R.S.N. Co. Before the advent of the 'Sophia Jane' the H.R.S.N. Co. "waxed fat and kicking" — but when the 'Sophia Jane' began running rates were reduced to low water mark in an endeavour to "run off" the wooden boat. Passenger rates had dropped from 24/- to 12/6d and freight rates from 20/- per ton to 8/.-. The editor further urged the public to support the 'Sophia Jane':

Even if her formidable rivals should feel inclined to give passage "free gratis, and for nothing"... If anything prevents the 'Sophia Jane' from continuing... we shall doubtless have the enormous passage money and freight to pay again. The 'Sophia Jane' continued in the Hunter trade for a little more than a year, opposed at every sailing by the H.R.S.N. Co's 'Tamar' which had reduced its passage rate to 3/-.

In the meantime a committee of Hunter Valley residents had secured the services of a Government steam dredge which had started dredging the river flats in May 1845. By January 1846 Boyd's deep-draught steamer the 'Cornubia' was able to operate on the river. Another round of cutthroat competition eventually forced the 'Cornubia' "off the run," but she was followed by a string of privately owned steamers all seeking to break the Company's monopoly. In April 1846 the 'Sovereign' reduced her fares to a ridiculously low 2/- Saloon and 1/- Fore-cabin. The tenor of the competition on the Hunter trade can be seen in this advertisement placed in the Mainland Mercury by the owners of the new steamer 'Phoenix':

The owners of the new S.P. Phoenix will carry wool at charges lower than the Iron boats let them carry it for what they may. This cutthroat competition inevitably took its toll of individual shipowners and by 1851 almost all of the coastal trade from Moreton Bay to Port Phillip was in the hands of the H.R.S.N. Co. But their shares had fallen during the period of competition from 20 pounds to 5 pounds and only once had they paid more than a six percent dividend. On the other hand the battle by the H.R.S.N. Co. for a monopoly of the coastal trade had benefitted the farmers and graziers of the Hunter region by providing them with an extremely
cheap means of transporting their products to the Sydney market at a time of economic recession. It has also brought about, through local pressure reacting against the Company’s monopoly, a free port at Newcastle. As an editorial in the *Maitland Mercury* of April 18 1846 had expressed it:

> It is in no slight degree owing to this regular cheap means of communication that the Hunter has become the chief granaries from which the Metropolis draws its supply of the staff of life. It is indeed solely owing to this ready means of access to the Sydney market that we are at all able to export a number of articles; Bathurst or Goulburn could not transport as cheaply.

In the gold rush of 1851 trade began to expand rapidly and the Hunter Valley residents again found reason to be dissatisfied with the H.R.S.N. Co.’s service. Through an inbuilt impediment in its rules the Company’s capital was limited to 60,000 pounds which was insufficient for further expansion of its operations. To solve this problem the Company dissolved itself and reformed as the Australasian Steam Navigation Company38 with the power to increase its capital to 500,000 pounds.39 The 1851 Victorian gold rush stretched the A.S.N. Co.’s resources and in an effort to protect its southern trade from foreign steamships the Company left the Hunter trade with only four sailing per week.40 Public opinion was further exasperated by the forced withdrawal from the Hunter trade of Edye Manning’s ‘Phoenix’ by the A.S.N. Co.’s threat to run river steamers against him on his Parramatta trade.41

Public resentment at the cuts in the steamer link with Sydney culminated in a public meeting held at the Northumberland Hotel in Maitland on the 16 June 1852 where it was agreed that the Hunter’s River New Steam Navigation Company should be set up. Its terms were almost identical with those on which the H.R.S.N. Co. had been set up, with the added safeguard of;

Retaining the direction and management of the Company within the Hunter region in order to prevent the Company’s steamers being diverted to any other trade than the Hunter.42

Obviously the people of the Hunter realized that steam navigation was a valuable asset and intended to keep their products flowing smoothly and frequently and at a reasonable cost down the river to Newcastle and Sydney. The new Company started business on March 24 1855 with the arrival of their new steamer the ‘Hunter’ which was closely followed by the ‘Williams’ and the ‘Paterson’. Another round of cutthroat competition followed with the A.S.N. Co. lowering its rates to 3/6d for passage between Morpeth and Sydney. Eventually the A.S.N. Co., faced with a rates war on its Port Phillip run, had had enough and in June 1856 called a truce.43 For the first time in its history the A.S.N. Co. (ne H.R.S.N. Co.) offered to share its trade This arrangement carried on for many years to the benefit of both Companies and the people of the Hunter Region.

As previously stated the Hunter region gave the impetus to the building and employment of the first steamships in Australia and these steamships in turn helped develop the region. They were not of course the only factor in the development of the Hunter but they were a distinctive factor. The use of steamships established Morpeth, for a time, as the premier port of the New England and Liverpool Plains area, and the frequent bouts of low rates cutthroat competition conditioned the people to expect cheap rates for the transportation of their produce. Indeed, during the economic recession of the 1840’s this competition opened the Sydney market to the produce of the Hunter when it might otherwise have been uneconomical. The periods of monopoly control of the trade goaded the people into pressuring the Government for a free port at Newcastle, into dredging the river, and finally into forming their own local shipping company.
FOOTNOTES

2. In the book, The Rise and Progress of Australia and Tasmania and N.Z. the author notes that: "the cheapness of steam communications (as) having led to the abandonment of the road formed at immense cost by convicts ... island between Sydney and the Hunters River". P.143.
3. Despite appeals for Government action it was not until June 1837 that Governor Bourke sought to introduce a Government steamship to the Australian coastal trade and that of such a draught as would have precluded it from the Hunter trade. Sir Richard Bourke to Lord Glenelg, 15 June 1837.
4. H.R.A. - Series 1 Vol. XVIII. p.784
6. The 'Surprise', often considered the first Australian built steamer was shipped in pieces from Britain and assembled in Sydney. Although launched before the 'Sophia Jane' reached Sydney (13 May 1831) it did not get its engines until the end of the year. The little known 'Kanah' is however a contender for the honour of being the first colonial built steamer in operation. Built at Port Stephens for the A.A. Co. it was launched on Nov. 30 1831 and was operating in Dec. of the same year (The Australian, Dec. 6 1831) and Parry's Early Days of Port Stevens p.59
7. The Australian September, 30 1831
9. Maitland Mercury, May 24 1845
10. The Kangaroo a small river steamer built by Mr. Koff in 1840 at Raymond Terrace on the Williams river was still in service as a ferry between Port Melbourne and Williamstown at the turn of the century. It also incorporated, to the best of this writer's knowledge, the first marine steam engine manufactured in Australia. See Capt. James H. Watson, 'Early Shipbuilding in Australia.' J.R.A.H.S., Vol. VI, 1920, P.109-110
11. A.B. Portus, 'Early Australian Steamers,' J.A.H.S., Vol. II. 1904 P.188
12. (When James Watt coined the term 'horse-power', I don't think he expected to be taken quite so literally.)
13. Ibid., P.188
14. Henceforth to be referred to as H.R.S.P.A.
15. The design of this ship was another first for Lowe and Marshall. The sponsors or paddle-boxes did not stick out at the sides, but were included in the hull and formed part of the deck.
16. For a full account of this comical shipwreck see A.B. Portus op. cit. There were apparently two Captains in command of the ship and each thought the other had set the course.
17. Insurance being expensive and the desire for profits large, steamship companies often allowed their vessels to sail uninsured. See A.B. Spark's diary. Abbott and Graham (eds.) The Respectable Sydney Merchant, P.123
18. N.L. McKellar, From Derby Round to Bulleton The A.U.S.N. Story, University of Queensland Press, 1977 p.4
19. Ibid.
20. Kolsen, op. cit., p.14
21. The meeting was advertised in the Sydney Herald 31 July 1839.
22. Henceforth to be referred to as G.S.N. Co. This Company was formed by an amalgamation of the Illawarra and Brisbane Water Steam Packet Companies. Kolsen, op. cit., p.14
23. Manning and Koff had purchased the wreck of the 'Ceres' and in an incredible feat of marine salvage had raised her engines and boilers from deep water in the open sea, built a 60 ton cutter from the timbers and sailed the lot to Sydney. The 'Victoria' was built to take the 'Ceres' engines. Portus, op. cit. P.195
24. Henceforth referred to as H.R.S.N. Co.
23. Graham Abbott and Geoffrey Little. (eds.) The Respectable Sydney Merchant. A.B. Spark of Tempe. Sydney University Press, 1978. Entries for the year 1842 show that A.B. Spark as one of the trustees of the G.S.N. Co. was harassed by this problem and wrote of it "to such a pass (fear of arrest) has this Co. brought its trustees". (15 Sept. 1842) P.144

24. Ibid. p.145

25. Maitland Mercury. Oct. 7 1843

26. Both these movements had as their stated aims the breaking of the H.R.S.N. Co's monopoly. The Free Port committee argued that by using river barges and shipping their produce straight from Newcastle to England they could save one-third of the transport costs. The dredging of the river would allow deep-draught steamers such as Boyd's 'Cornubia' to enter the trade. (Maitland Mercury, 1843 – 1844)

27. The Australian. Feb. 17, 1831

28. Maitland Mercury. March 5 1844

29. Ibid. July 27, 1844

30. Ibid. Aug. 3, 1844

31. Ibid.

32. Ibid. Aug. 22 1844

33. Ibid. Aug. 12 1845

34. The 'Sovereign' at this stage in her career was an H.R.S.N. Co. ship.

35. Maitland Mercury. Nov. 21 1849

36. Ibid. July 5, 1851

37. McKellar, op.cit. p.17

38. Henceforth to be referred to as A.S.N. Co.

39. McKellar, op. cit. p.17

40. Maitland Mercury, April, 28 1851. This service was frequently reduced to three until sometimes two sailings per week.

41. Ibid. May 22, 1852

42. Ibid. June, 23, 1852

43. McKellar, op.cit. PP 21-22
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