AN ECONOMIC HISTORY OF THE MORWELL AREA — 1870-1914
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Morwell lies in the heart of the Latrobe Valley some ninety miles east of Melbourne. The actual township is situated three miles east of the Morwell River, but for purposes of this study it is proper to include the surrounding townships of Yinnar, Boolarra and Hazelwood. Today Morwell is a modern industrial community, as evidenced by its power stations, open cut, briquetting and gasification plants, but it has been integrated successfully into the rich rural economy. Our concern is focused on the earlier development of the district, in so far as the pattern and nature of this development is a reflection of Victoria's economic development in the late 19th and early 20th Centuries.

The first white inhabitants in the area were the pastoralists who drifted down from the north-east over the Macalister watershed and Sale basin and into the Latrobe Valley. In 1844 a station was established at Haselwood (Hazelwood) by Brodribb and Bennett. These partners squatted south of Morwell on a run five miles by five miles bordered by Hobson's station at Traralgon. Later in the same year Thomas Gorringe took up a larger run east of Morwell known as Mary's ville (Maryvale). In later years it carried over 1,500 head of cattle. To the west, another run, Merton Rush (near Narracan) was built up by Henry Scott in 1846. In 1860 John McMillan bought out Haselwood while in 1868 Patrick Buckley took over Maryvale. In 1870 Merton Rush, after being held by Waller, then Bourne and Honey passed to Samuel Vary. All of these stations were the centre of the grazing industry in this area, but they were not as important as runs further to the east, because of their low carrying capacity. Despite the closer settlement after the seventies these stations continued to be large concerns. Even in the nineties Maryvale, having passed to the son, William Buckley, consisted of 590 acres, with a net annual value of £118. Over at Haselwood, McMillan and his two sons had 1,223 acres valued at £472.

However, it was the Land Selection Acts, and more specifically the amendments of 1869 and 1878, that enabled the larger runs to be broken up and to some degree fostered closer settlement. It is feasible to suggest that "dummying" and "peacocking" occurred in this area, particularly in the seventies. Yet there is little evidence to substantiate the intensity of such practices. It can be considered that because Morwell was an area of comparatively recent settlement, the amount of restrictive practices was not as great as in other parts of the colony which had permanent economies.

The essence of the early development of Morwell lies with the small settlers and the rise of mixed agriculture. Gradually during the late seventies and early eighties, the local economy swung away from the large grazing concerns to mixed farming and finally to dairying. Most settlers that went on the land built up from a grazing foundation and then moved to mixed farming and dairying, depending on individual circumstances, in local conditions. This pattern of rural development emerged because grazing was an industry with relatively lower overheads and stable markets than other forms of rural enterprise. After 1880 the smaller type settler emerged as the predominant type in the rural community. Nevertheless the same small farmer often extended his property after original selection until in some parts of the district there were large tracts of land being held in comparatively few hands. For instance, Edmund Heesom secured 324

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additional acres in 1892 while Paul Appelgate at Hazelwood, having first selected 320 acres in 1878, added another 518 acres within the course of twenty years. Even so, with all this aggrandisement, the small settler still had the chance to gain a livelihood on the land, providing he had the enterprise and made the effort.

During the eighties the dairying industry moved into the local economy but it was not until the end of the century that it became the primary sector of the economy. At first its development was sluggish as conditions were generally unfavourable. Early settlers encountered adverse conditions in clearing the scrublands and sowing pastures. Again poor permanent fixtures and distances from markets retarded a fast, even, development. Moreover the poor state of herds, many of which were disease stricken, prevented a fast natural increase in numbers. Yet perhaps the greatest problem that hampered the industry, apart from inexperience, was the inadequate sources of capital and credit, particularly in poor seasons.

The dairying industry in the area received two stimulants which accelerated its growth. The first, a local factor, was "the coming of the line" in 1879. The completion of the Gippsland line brought the metropolitan markets much closer to the local economy. The second, and more basic to the development of the industry, was the rapid diffusion of dairying techniques and practices in the area. In 1873 refrigeration processes overcame the problem of perishability. Around 1885 cream separators were introduced to the area and these allowed the tedious task of skimming to be abandoned. In 1889 pasteurization was used for the first time as part of hygiene control. In 1892 the introduction of the Babcock test allowed creameries and butter factories to determine butter-fat content and make equitable payments to the farmers.

A further impetus to growth in the dairying industry came with the establishment of creameries and small butter factories in the nineties. In 1891 the Yinnar Creamery Company commenced operations at Driffield. By 1896 the Yinnar Butter Factory Company had established creameries at Yinnar, Boolarra, Mirboo and Budgaree. The Morwell Butter Factory Pty. Ltd. was formed in 1899 after taking over the small creamery of Wood and Company Pty. Ltd. The factory was near the railhead and cream was sent to the factory from as far as Mirboo North, Sale and even Drouin. Within the next two or three years the creameries at Yinnar and Boolarra were consolidated into butter factories. However, in these early years none of the butter factories were organized on a co-operative basis although local interests were strong at all times.

With the servicing of the area by butter factories and the rise of strong metropolitan markets, the local industry thrived and prospered before the war. Yet there is some doubt as to whether this material prosperity had any significant effect on the social condition of the settlers, especially the later farmers. Nevertheless, disregarding this personal context, the basis for a rural economy had been founded and this was to dominate the local economy until more recent times.

The settlement of Morwell township is connected with the transition of an extensive pastoral economy to an intensive agricultural economy. Before 1870 the population of the Morwell village and its environ was very small. Those that did live in the village or at Morwell Bridge were occupied in servicing the Gippsland coach line or the drovers moving down their herds from the eastern pastures. In this context it is obvious that Morwell should and did grow up east of the Morwell River. It was situated centrally to the three great squatting stations, and it was also a natural resting spot for weary travellers or uneasy stockmen before crossing the Haunted Hills to Moe.
Population growth became more rapid after the opening of the area to agricultural settlement, and there was a significant influx in the late seventies and more particularly the eighties. Likewise the actual township began to expand as the rural economy became established and required local services to meet its needs. Statistically this can be represented in the following table:

<table>
<thead>
<tr>
<th>Township</th>
<th>Area</th>
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<tbody>
<tr>
<td>1871</td>
<td>22</td>
</tr>
<tr>
<td>1881</td>
<td>116</td>
</tr>
<tr>
<td>1891</td>
<td>600</td>
</tr>
<tr>
<td>1901</td>
<td>587</td>
</tr>
<tr>
<td>1911</td>
<td>1,080</td>
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</tbody>
</table>

The most significant rise in population growth is in the ten-year period between 1881 and 1891, when the foundations of a permanent commercial town began to take shape.

As the demand grew for the servicing of local needs, it attracted enterprising men to equilibrate this demand. Edmond Kelleher was one such man attracted to Morwell by its potential commercial value, which he had foreseen as an overseer on the Gippsland line. In 1876 he realized his ambitions by establishing a general store and in the true Irish tradition a hotel (“The Club”). Kelleher was typical of the many retailers who came in seventies and eighties. Of even greater enterprise was John Flewin, who not only saw a local market but a colonial market for Morwell’s high quality yellow clays. Being a son of a Ballarat brickmaker he quickly turned from the land in 1882 to commence a brickmaking and pottery industry. In the first ten years of operations the average output was 150,000 bricks a year with a kiln capacity of 26,000 bricks. Other groups were also interested in the Morwell clay and a large brick industry was established in the area which added further to employment opportunities.

The permanent nature of the rural economy led to further commercial activities being promoted such as financial and real estate agencies, banks, retail and cartage concerns, light engineering, saw milling, creameries and a brewery. In the mid-eighties “The Morwell Advocate” went to press. In the field of social progress, Morwell State School was founded in 1879, while by 1882 the town also boasted three churches and a Mechanics Institute. Finally in 1892, due to the numbers in the district and the township, the Morwell Shire was created as a district from the Traralgon municipality. The Shire carried on a balance of service between town and country in the form of roads, drainage, water and valuation.

The growth of the Morwell township was not only a matter of the forces of demand and supply at work; nor was it only the effects of land legislation, or the natural movements of the closer settlement frontier; but was also guided by the completion of the Gippsland railway. As with so much of Australia’s development the coming of the line signalled the permanence and the progress of settlement. In this sphere the Gippsland line (1879) and later the branch line from Morwell to Mirboo North (1886) gave a tremendous boost to the area’s economic development. Yet it was the town as the commercial focal point of the area that received the greatest benefits. The interdependence of this area and the metropolitan area became a real issue from the point of view of potential markets and a source of consumer supply.

Moreover the railway line added further impetus to population growth, for contemporary thought often associated the railway with security or “civilization.”
Indeed the railway line did much to end regional and individual isolation. Again it attracted men to the town who lacked adventure, though not initiative, and the line gave them confidence in their future prospects.

However, in time the railway line meant the relative decline in the growth of other towns in the area that had not received an allocation of the railway. After the eighties settlements such as Hazelwood or Morwell Bridge, remained much the same in structure for the rest of the period. On the other hand, the completion of the branch line to Yinnar and later to Mirboo North assured the future of towns along this line.

Turning to later population developments, we find that between 1891 and 1901 there was a steadying out of the growth pattern and this can only be accounted for in possible terms of a natural decline, after a period of sustained growth in the previous decades. Of course during this decade the economic conditions of the colony arising out of the economic slump and banking crash, were not conducive to regional growth. The difficulties in raising capital and rural credit may have prevented many from settling in Morwell. Moreover farming had become very depressed as the price of milk had fallen from five pence a gallon in 1891 to two and a half pence a gallon in 1894. This may have caused the tendency towards rural depopulation. Thus if the rural economy was depressed then the urban sector also suffered as it was near dependent on the rural sector. Even so there was not the sharp fall in land values that had been witnessed in other districts.

Whatever the severity of the downturn, with the coming of the new century and the new nation, Morwell, like most young and resourceful districts, surged forward again with strengthened vitality in its dairying and commercial enterprises. The town population rose again, surpassing the thousand mark in 1910. After 1900 the natural increase in population may have been greater than local immigration, for as the area took a permanent form, and the individual settler found some material advancement, he would then be more ready to increase the size of the family unit. This, however, is a supposition that cannot be justified by economic interpretation alone.

Having looked at overall population growth and the forces of urbanization, it is well to examine the social composition of the early settlers, as there is often a direct relationship between social or ethnic groups and economic motivation. Like most regions of recent settlement the role of the emigrant is important in the development of a region. One finds that certain European peoples settle together in local communities such as the German settlements in the Rushworth district or the Danish community at East Poowong. Morwell, however, has not the features of one predominant European settlement, mainly because it was settled in a period when access to the area was comparatively easy. Again, most European settlers by the seventies had become lost amongst the Australian born.

Nevertheless, taking a survey of overseas groups in the area we find in 1901:—

<table>
<thead>
<tr>
<th>TABLE 2</th>
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<tbody>
<tr>
<td>English</td>
<td>192 persons</td>
</tr>
<tr>
<td>Irish</td>
<td>144</td>
</tr>
<tr>
<td>Scots</td>
<td>181</td>
</tr>
</tbody>
</table>

These three groups are typical of most parts of the Victorian colony. Then we have:—

<table>
<thead>
<tr>
<th>TABLE 3</th>
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<tbody>
<tr>
<td>Germans</td>
<td>13 persons</td>
</tr>
<tr>
<td>Scandinavians</td>
<td>13</td>
</tr>
<tr>
<td>United States</td>
<td>13</td>
</tr>
</tbody>
</table>
The men that came to the Morwell area, either to hold land, to set up business or to be employed, were from all walks of life and experience. Yet several aspects of age composition and background experiences are significant.

Many of these men were relatively young, being in their late twenties or early thirties, when they settled at Morwell. Subsequently the area and the community benefited from such an inflow of youthful enterprise and adventure. For instance, Thomas Biles, a young Englishman, selected 244 acres when only 20 years old. Another, Leon Wuttrick, coming from a Swiss vigneron background, took up farming in 1873 at the age of 18 years. Or again Michael Fleming, formerly of Essex, settled in 1883 at the age of 20. Charles E. Corney, a Victorian, was the manager of the local stationers at the age of 22 or 23 years. These cases are not exceptions but more the general tendency in the age composition of the early settlers.

A second factor is that Morwell benefited from an inflow of men who were familiar with the Australian scene. Why they came to Morwell is a question in itself, but what they had done previous to settlement at Morwell can be revealed by looking at some cases. Many of the settlers had been associated with the colourful sequences of the Australian gold rushes. Some were here at the dawn of the rushes, most were here in the twilight. A Yorkshireman, Thomas Theobuld, had started at Ararat in 1853 and in the course of the next fifteen years he moved to the Bendigo, Forest Creek, Ballarat and Woods Point diggings. Another, Henry Godridge, was already in Victoria when Hargraves made his discoveries at Bathurst. Godridge claimed to be amongst the first at Bathurst and not far behind at Ballarat and Golden Point where he was very successful. At Morwell he was hotel keeper, postmaster and a director of the Great Morwell Brown Coal Mining Company which was formed from his discoveries in the area. Jeremiah Ryan is a particularly colourful case. The most part of his life he spent wandering from one rush to another. California, New Zealand, Jawbone (N.S.W.), Palmer River, Seventeen Mile Beach (tin), were all familiar to him before he took up land in Morwell in 1880.

These cases all point to a significant factor, that there were many men in the Morwell area who had experience in mineral exploration and mining. This concentration of such men would lead to an awareness of the mineral deposits in the area. This factor will clarify itself as we now turn to mineral development and mining at Morwell in these early years.

The search for mineral deposits was a common occurrence in most Australian communities and Morwell provides no exception. The development of mining interests only comes after the period of closer settlement when there is an influx of ex-diggers into the area. This element of experienced men who had worked mines elsewhere is a decisive factor in the acceleration of mineral exploitation. It is obvious that men who had come to Australia to enrich themselves from the earth, would always retain their interest in mining, even when they had settled down on the land. They would be aware of mineral deposits and most would be sufficiently interested to help in the exploitation of coal resources. Again the interest in coal mining came with the policy of the Victorian Government to foster their own coal resources in an attempt to overcome the variability in supply and price of N.S.W. coal imports. This was magnified by the Newcastle strikes of 1888.

At Morwell the surge of interest was in the late eighties, at a corresponding period of high capital investments in the colony. In 1886 the United Hazelwood Coal Mining Company (black coal) was floated with a capital of £100,000 in £1 shares, 50,000 placed on the London market and 50,000 placed in the colony.\textsuperscript{16}
In 1887 the Great Morwell Brown Coal Mining Company was formed, mainly from local sources, notably Godridge and W. Tulloch holding the leading parcels. The company's mining operations were on the west bank of the Latrobe River three miles from the township. It operated by open cut methods because of its physical position, and this reduced overheads and operation costs. In 1888 the Maryvale Proprietary Coal Mining Company was formed and carried out small operations on Mr. Buckley's property. This company issued 100,000 £1 shares, and Mr. Buckley was the main buyer along with scattered interests. In 1889 three black coal companies were established at Boolarra. The three companies were created in an attempt to meet the shortage of N.S.W. coal during a period when Victorian coal could compete with N.S.W. coal in price, although not quality. All three companies, Mirboo Collieries Ltd. No. 1, a company formed mainly from Ballarat and Bendigo syndicates, the Boolarra Coal Mining Company and the Gippsland Railway Company unfortunately could not be run on a profitable basis, because of high transportation rates to Melbourne (8/- per ton) charged by the railways. The lack of freight concessions or government subsidy prevented these companies from continuing operations after 1892. In 1888 a brown coal company, The Great Gippsland Coal Mining Company, commenced operations near the open cut, but it proved unsuccessful due to soft overburden, and ultimately most of its interests moved into the “Great Morwell.” In 1890 Murdoch’s Brown Coal Company was formed, again from local sources, but it had very small success and was soon liquidated. Murdoch’s company like most formed in the area had a short unsuccessful life. Some like the Boolarra Company collapsed through high variable costs, others like the Gippsland Railway Company collapsed when Korumburra, Jumbanna and Outtrim black coal mines became profitable. Others like “United Hazelwood” and “Maryvale” were much too ambitious in their plans and lacked paid up capital to cover operations. “Maryvale,” for instance, had only 12,000 shares of 3/6d. a share paid up, out of an 100,000, £1 share issue.

The Royal Commission on coal of 1891 devoted much of its work to the condition, nature and possible utilization of Morwell brown coal. The main difficulties found with brown coal exploitation at Morwell were the nature of operations and its eventual application. During the course of evidence suggestions were made for the possible erection of a briquette processing factory to overcome bulk transportation problems and costs. On this matter of briquetting, J. W. Corbett, an experienced mining manager, who had witnessed such processes in Swansea and Nottingham, felt it would be profitable to establish a plant at Morwell. Corbett also foresaw the possibility of using brown coal for making gas and piping it to Melbourne.

The Colonial government, acting on the Royal Commission’s recommendations, agreed to send the government analyst, Cosmo Newbury, to Germany to study the technical side of briquetting. Further to add an incentive to private concerns, it offered a bonus of £5,000 for the first 100,000 tons of briquettes manufactured in the colony. Again a bonus of £1,000 was offered to any person who would erect a plant which could manufacture 1,000 tons of briquettes per month for at least six months.

In 1891 tests were made at Zeitz (Germany) with coal from the Great Morwell Brown Coal Mining Company. These tests showed that Morwell coal was inferior to German coal for briquetting, because of its weaker properties of durability and compactness. Despite this technical deficiency plans for a briquette plant near the “open cut” were implemented. The Otis Elevator Company built a plant at South Melbourne and it was opened at Morwell in 1893. Perhaps it may have been wiser to import a factory from Germany and engage foreign
experts, although even the German processes were extremely primitive in the light of today's development. 22 As it turned out, the briquette plant proved inefficient and in 1895 the plant was burnt out by a bush fire. A second briquette factory was installed in 1897 but again proved inefficient. The major problem that confronted the local industry was in drying the moist coal for suitable pressing. In passing this problem also confronted the German industry until 1916. 23

In February, 1899, the Great Morwell Brown Coal Mining Company and its briquette factory were liquidated. For a short time coal mining was abandoned in the area. However, the mine was re-opened on a very small scale by the Holmes Bros. in 1903, and finally ownership passed to an original director, W. Tulloch. He held the mine from 1905 until the war, despite a title dispute with the Gippsland Goldfields syndicate. Coal was occasionally mined at the old cut up to the war, the most being about 220 tons in 1911.

Coal mining in the area cannot be regarded as a vital section of the local economy; in terms of productivity it was insignificant. Yet it is important because it was in this period that the foundations for a greater enterprise to come were laid. At this time most knew the extent of lignite deposits, yet it was only the few who were willing to venture into the mining field and attempt to develop an industry. Men like W. Murdoch or W. Tulloch, Henry Godridge, J. H. Wright or J. W. Corbett, were amongst the few from the local scene who were the driving forces for this development. Basically what prevented their dreams of an industrial empire being fully realized was the low level of technological understanding in the exploitation and application of brown coal. It was only a matter of time and circumstance before this actually took place. When it did, Morwell did not receive the task of promoting the operations. This was left to the special town of Yallourn, five miles to the west of Morwell. Only in more recent times has Morwell with its coal and people been admitted to the giant State Electricity Commission's undertakings.

In retrospect we find there emerged a definite pattern of development at Morwell. The transition from a pastoral to agricultural economy specializing in dairying is the foremost movement. Again the growth of the township and its dependence on the rural sector and population forces is also prominent in this study. The development of mining in the area, especially lignite exploitation, comes to the front, not so much for what it achieved as for what it attempted. Finally the effect of external factors, as the crosswinds of development hold the study to some kind of theme. The gold rushes, Land Acts, Maritime strikes or land boom, etc., have all sown their seeds in the local economy. Thus we have a study and an interpretation of early Morwell, general in content and vague in notions, more an absolute study of the past than a reflection of the present. It is a study of settlement and settlers and their small but vital part in fostering the growth of Victoria into the 20th Century.

NOTES—

1. In 1853 a dispute arose between the two parties over a one mile border strip, recorded in Land Department files.
2. Shire Valuation books 1892-1896, Shire of Morwell. N.B. Net annual value is 5% of capital value of land.
3. 1878 — Free selection before survey.
4. 1885 — Free selection after survey.
5. Rate Book, Shire of Morwell, September, 1892.
7. Royal Commission on Banking (Vic.), 1895, pp. 1127-1276.
8. Compiled from colonial censuses for respective years. The difficulty in determining population in the area between 1871 and 1891 is due to the fact that until 1892 much of the area was in the Shire of Traralgon.
9. The quality of much of this local clay was very close to Stourbridge clays and made very good firebricks.
10. The brewery was near Narracan and was owned by McCracken and Company (Melbourne).
11. The first school was at Haselwood Station (1877) while another was at Maryvale in 1879.
12. Evidence, Royal Commission on Banking (Vic.), see note 7 above.
13. Ibid.
14. 1901 Census of Victoria.
15. Ibid.
17. Morwell Advertiser, 1st December, 1888.
18. Royal Commission on Coal (Vic.), evidence, Ninde and Burroughs, p. 305.
19. Ibid., evidence, J. Lang, p. 92.