

The Egerton Mine Scandal: the Egerton Ring and their subsequent Careers ¹

Peter Gardner

In accumulating property for ourselves or our posterity, in founding a family or a state, or acquiring fame even, we are mortal; but in dealing with truth we are immortal, and need fear no change nor accident. Thoreau, Henry David. *Walden*.

Introduction

On 19 September 1873 the Learmonth Brothers, through the agency of Somerville Learmonth, sold their fully owned Egerton mine to mining speculator Martin Loughlin. It later emerged that the day after the sale Loughlin had taken in 3 other equal partners, purportedly for the sum of £1000 each. One of these partners was the previous mine manager William Bailey who had acted for the Learmonth's as an agent in the sale. The other two were Owen Edwards, mining director and Bailey's sharebroker ² and James Williamson, manager of the Union Bank in Ballarat in which both Loughlin and Edwards had substantial overdrafts. On the 30 September with Loughlin's two Union Bank cheques totalling £13,500 cleared Bailey visited the Learmonth's Ercildoun homestead where he was paid a 5% commission on the sale and a £25 bonus – a cheque for £700. ³ On the day that the transfer took place a new 'flat reef' was discovered in the mine and it began producing fabulous profits.

When the news reached Somerville Learmonth he instituted inquiries with brokers, employees and then a private detective. Having just sold Ercildoun - its 26,000 acres of freehold and stock including pure-bred Merino flocks for £236,000 - the Learmonth's were not short of money. ⁴ In fact they were 'clearing the decks' for a return to Scotland by Somerville Learmonth, the last of the brothers in Victoria. Learmonth's response to the astonishing news from Mt Egerton must have been outrage at having been so easily deceived. As a result of this the brothers eventually commenced legal action in the Court of Equity for fraud and collusion – a case that ran for nearly 3 years and was destined to become one of the most notable in Victorian mining history. Withers in his *History of Ballarat* concluded the "defendants won the battle along the whole line, injunction motions, issues, everything..." ⁵ With the Egerton mine still producing bounteously and with astute investments in the Creswick deep leads Bailey and Loughlin went on to become among the richest men in Ballarat and the Colony. The latter featuring recently as the 25th richest Australian ever in Rubinstein's *The All-time Australian Top 200 Rich List* ⁶ whilst Bailey left his splendid mansion now part of St. John of God Hospital.

The sellers

The Learmonth brothers, John, Thomas, Somerville and later Andrew were pioneering squatters in the Port Phillip district. Their father, Thomas Learmonth – Hobart merchant and formerly of the East India Co – was a member of the Port Phillip Association, then the Derwent Company and paid £7000 for the Marrabool run of 9416 acres in the Geelong district.⁷ A number of subsequent properties were held by the latter Company although the distribution of the properties amongst the partners after its break-up in 1842 is confusing and unclear. At some stage the Learmonths, as part of the Derwent Co, were joint holders of a number of stations including Native Hut Nos 1, 2 & 3, Mt Mercer, Kurruck-Kurrut, Warrambine, Mt. Shadwell, Weatherboard and Indented Head.⁸ In 1837 Thomas and Somerville ventured to the Ballarat district where they took up the Buninyong and Burrumbeet runs. There they thrived dealing in both property and stock and building up a large flock of pure bred Merinos. George Augustus Robinson visited the run in 1842 and reported: “John, Thomas and Somerville Learmonth had erected a cottage, fenced a large paddock and grown a fine crop of wheat. They had numerous slab outbuildings thatched with grass, a stud of horses and 50,000 sheep grazing on about 8000(0) acres.”⁹

At one time or another over the next 35 years they had the following runs: Buninyong 12,838 acres, Burrumbeet 73,212 acres, Mt Mitchell 20,800 acres Maiden Hills 12,838 acres, East Strathdownie 39,324 acres, West Strathdownie 28,000 acres and Avoca & Wycheproof 76,800 acres.¹⁰ The brothers purchased pre-emptive rights around the main stations of Buninyong and Burrumbeet and eventually concentrating their ownership around Ercildoun homestead on the Burrumbeet run with a freehold purchase in the 1850s of more than 20,000 acres for £75,000.

The brothers were part of the Colony’s ‘landed aristocracy’ and no doubt thought of themselves as such. They were either founding or early members of the elite Melbourne Club in 1841.¹¹ They appear to have been strict, hard-working Presbyterians in the early days whilst in later years they grew remote from their workforce employing, where they could, smart efficient managers of a similar religious ilk. With the runs firmly established the brothers, singly and sometimes jointly, returned to Europe on a number of occasions. Thomas and Andrew eventually settled there permanently. The gold discovery at nearby Ballarat in 1851 and on their run at Buninyong was in many ways a boon to them – stock previously worth only 6s for the tallow and skin was now sold as meat to the miners and land prices in the Ballarat district were high for both buyers and sellers. Much of their land at Buninyong was taken up by purchases by, or leases to, mining companies.¹² In the short term there were problems of attracting labour. But it was the long term continuing cry to ‘unlock the lands’ by unsuccessful miners and others that was to seriously compromise them in their litigation over the Egerton mine.

Aside from their stock and land operations the brothers invested in a number of mining ventures which were moderately successful. One investment was the New Enterprise mine later to become part of the Llanberris. Withers noted:

“The New Enterprise Company took up the ground next south, [from the Llanberris] and won 4000oz. of gold the first year, or £16,000 worth... That company then failed, [with] the Messrs. Learmonth taking the claim and erecting a battery and other plant. They failed, and sold to the Llanberris Company, who removed their working staff to the Enterprise shaft.”¹³

and

“The Llanberris Q.M. Company is the oldest quartz company in Ballarat, the claim having been taken up by sixteen men in September, 1858, and the first crushing had in the next September, the produce of the mine to the end of 1863 being 6391 oz. of gold, value £25,469, from which £9,052 were paid in dividends. In October, 1864, the co-operative company was made a registered one in 2,000 shares in which £13,400 have been paid in dividends from a total output value £76,896. The company's present claim includes the New Enterprise mine... The Learmonth Brothers, of subsequent Egerton fame, bought the New Enterprise, erected a new plant, and then sold to the Llanberris company.”¹⁴

Somerville Learmonth also invested in the Staffordshire Reef Quartz Mining Company (QMCo) which ran for a number of years and about which there is little information other than that there were some rich patches in this mine.¹⁵ Other main shareholders included Bailey and mine manager and speculator E.A. Wynne. The brothers had purchased outright the Egerton mine about 1863 and employed Bailey as their manager in 1867. Prior to Bailey's employment it was reported that the “mine had yielded splendidly for the past twelve months, often over 1 oz. to the ton, and with every indication of permanency; and at the present time Messrs. Learmonth hold one of the most valuable mines in the colony. The lode is well-defined, of great massiveness, in many places forty feet across, and easily reduced.”¹⁶

Although the Learmonth's were unsuccessful in terms of winning great fortunes they still had good returns on their purchases. The New Enterprise was bought for £1000 and sold for £3000. The Egerton Co was bought for £7,000 and sold for £13,500. As well this mine issued about £60,000 in profits during Learmonth's tenure.¹⁷ But the huge fortunes made in the Llanberris QMCo after they had sold it and later in the Egerton Co were to elude them – perhaps to their chagrin. But the brothers were absentee landlords - long term visitors here whose aim was to make their fortune and then return home to Scotland with their riches.¹⁸ They placed their trust in managers in both their pastoral and mining pursuits – especially in the latter in which they had little knowledge or experience.

The buyers: later known as the Egerton Ring

Martin Loughlin appears to have been a jovial, confident, flamboyant, almost stereotypical, Irishman. For most of his 40 odd years in Victoria he was extremely lucky. Austin McCallum in his Australian Dictionary of Biography entry described Loughlin's initial foray into mining on the Ballarat field:

In 1855 Loughlin and his cousin, Patrick Brennan, migrated to Geelong and soon joined the gold rush to Pleasant Creek. Learning of new developments in deep-lead mining on the Ballarat field both men transferred their hopes to the co-operatives and companies which were forming to exploit the golden gutters of alluvial under the basalt plateau. Loughlin had remarkable good fortune. With Brennan he

joined the Golden Gate Co-operative Co. as a working shareholder and by October 1856 also had shares in the Alston and Weardale Co. By March 1857 he was a working shareholder in the Kohinoor claim on the Golden Point lead which paid dividends of £304,460 after winning 147,570 ozs of gold; in the Melbourne share list of 3 June 1863 forty shares were quoted at £2800 each.¹⁹

Loughlin is reputed to have been worth £100,000 in the early 1860s. This figure is a gross overestimate possibly by a factor of ten.²⁰ But even with a fortune worth £10,000 he was a rich man. However by 1873 he was living well beyond his means, down on his luck and permanently boarding at Craigs Hotel. At the time of purchasing the Egerton mine Loughlin had an overdraft of £1039 with the Union Bank of Ballarat, located next door to his hotel.²¹ The securities held for this overdraft were valued at £5000. We can only speculate on the decline at this time in Loughlin's fortunes but almost certainly it involved a combination of extravagant living, possibly maintaining a stable of horses, making spectacular bets on the racetrack, poor mining investments and a three year depression in the mining industry.

William Bailey was altogether a different character – literate, cautious and conservative with his money. He was a promoter of, and worker in, a number of mining companies.²² Bailey came to Victoria in 1848 or 1849 and worked as an overseer on two stations – probably on an annual salary of about £100 pa – before joining the gold rushes to Eaglehawk and Forest Creek (Castlemaine). Early 1853 found him at Ballarat where, after purchasing a claim in Canadian Gully, he had enough capital to buy a share in Wilson Bros general store in Ballarat East. Here he continued to prosper and almost certainly provided capital for a number of the mining ventures beginning to work the famous Ballarat deep leads. It seems likely, that he had a non-working share in more than one of the famous “Jewellers Shops” claims.²³ In 1859 he and Spencer Wilson were 2 of the six partners in the Black Hills Mining Co organised by E.A. Wynne.²⁴ Weston Bate wrote of this venture that although the company crushed low grade ore it generated the 6 shareholders an income of £50 per week and each share was worth £5000.²⁵

As well as the Black Hills Co Bailey, with Wynne and Spencer Wilson, was a large shareholder in, and later became the working manager of, the Staffordshire Reef QMCo. Somerville Learmonth was also a major shareholder in this mine. In 1867 the Learmonth employed William Bailey as manager of the Egerton gold mine on £10 per week. Bailey in turn promoted a Welshman, Morgan Griffiths, from the ranks of the working miners to that of underground manager. There can be little doubt that Bailey was an efficient, hands on mine manager, and the purchase by him of an adjoining claim for £400 netted the owners additional profits of at least £5000 pa for the following 3 years. By the early 70s profits were down and often the mine was only breaking even. As well there was a general depression in the mining industry.²⁶ Like Loughlin his passion was for horses and horse racing, but unlike him there is no sign that Bailey indulged in extravagant betting, at least until he could easily afford to do so.

Of the other partners in the newly purchased mine little is known of Edwards other than that he was a small time broker on the Ballarat Exchange and a director in the South Learmonth QMCo which adjoined the Egerton mine lease. Between 1864 and 1874 Edwards was a promoter and/or shareholder in 27 mining companies.²⁷ He was also in frequent attendance

at ‘the corner’, Ballarat’s first stock exchange.²⁸ James Williamson came to Victoria in 1851 and after some pastoral experience with a relative²⁹ joined the Union Bank and rapidly advanced to become manager of the Ballarat Branch. Whilst manager he was also a frequent promoter of, and speculator in, mining companies having been involved with at least 50 companies before the formation of the Egerton Co.³⁰ It is of note that all of the ‘ring’ were promoters of mining companies and all of them had been promoters in at least one company involving E.A. Wynne.³¹

September 1873: the takeover step by step

It appears that the Learmonths may have suggested to Bailey that the mine was for sale as early as 1871. However a then exorbitant price - possibly as high as £50,000 - was bandied around and it seems Bailey was not keen to sell. Dr John Learmonth had died in 1871 and Thomas had returned to Scotland in 1868 leaving Somerville and Andrew running the Australian operations. Andrew Learmonth returned to Scotland early in 1873 and Ercildoun was sold on 22 August. Somerville Learmonth remained to dispose of the Egerton mine. An article in the Victorian Historical Journal by P.L. Brown entitled ‘William Bailey and Mount Egerton’ chronicles the timing of the sale during the month of September 1873.³² It is roughly summarised as follows.

On 1 September 1873 Martin Loughlin contacted Somerville Learmonth and asked if the mine was for sale and if so, what price he wanted for it. Learmonth wrote to Bailey for a valuation. On 3 September Bailey replied pessimistically and expressed the hope that the Learmonths will not sell. On the 8 September Bailey visited Ercildoun when the mine was valued at £12000. Learmonth set the price at £15,000 and invited an offer from Loughlin. The mine was also offered to James Williamson who declined to make an offer. On 9 September Loughlin visited the mine, examined the books and offered £12000. However “Bailey induced Loughlin to increase the amount to Learmonth’s privately suggested £13,500.”³³ On 12 September Bailey reported that the Rose reef was ‘worthless’ and that he intended to start a prospecting rise in level 2.³⁴ On 15 September half the agreed price of £6750 was paid by Loughlin and he took possession of the mine on the 19th. The next day Bailey remained as manager on £12 per week and had purchased a quarter share in the mine for £1000 as had James Williamson and Owen Edwards. The formal transfer took place on the 23rd and on 30 September Bailey visited Somerville Learmonth at Ercildoun to collect his 5% commission with bonus. It was during this visit that Bailey was reluctant to tell Learmonth that he was a quarter owner of the mine, still the manager, and that it was crushing splendid stone. Bailey was later to claim that it was this reluctance to tell Learmonth of these matters that was the main cause of the dispute and the court battles.³⁵ Also the courts indicate that it was at this meeting that Bailey shed tears at the Learmonths ‘kindness’.³⁶

It eventually became known that the new owners had commenced crushing rich stone as soon as they had taken over and the yields had jumped substantially. When the news that William Bailey was part owner of the mine and still the manager became known Somerville Learmonth’s suspicion quickly grew that they had been swindled. He commenced action to uncover more information.³⁷

October 73 to October 74: prelude to the battle in the courts

It appears that Somerville Learmonth did not learn of the possible deception until late in the year.³⁸ He then began making inquiries using Mt. Egerton mine capitalist George Warren and employees like George Mair. After gathering as much information as possible he employed a private detective who began making enquiries in Mt. Egerton. In a fairly closed mining community anything unusual such as enquiries by such an individual could scarcely be kept secret. The visit by the private detective quickly came to the notice of the new mine owners. Loughlin and Bailey visited Ercildoun about this time. But it is not clear whether the visit by them was in response to the private detective's enquiries in Mt Egerton as McGeorge indicates.³⁹ The meeting was acrimonious. The words of an angry Somerville Learmonth: "I want no explanation from you, Sir" were recently adopted as the title of a paper by Peter Mansfield on the dispute.⁴⁰ The matter was then placed before the legal representatives of both parties. All this occurred before Christmas 1873 and the exact sequence of events is not clear. By that time Somerville Learmonth and his wife had already left Ercildoun.⁴¹

The mine meanwhile was crushing as much of the rich stone as possible. Before the year was out both the overdrafts of Loughlin and Edwards, including the sums used to purchase the mine, were cleared and 'in the black'. Bailey told the courts that between the purchase and the case coming before the courts his quarter share of the mine profits was £30,000. This meant that the mine earned approximately £10,000 per month for the first 15 months of operation.⁴² There were some early sales of shares with Loughlin selling 100 shares to E.J. Brayton, mining speculator and horse enthusiast, for £100 and Edwards sold 625 shares to David Davies for £1000.⁴³ At some stage parcels of 625 shares were sold to Edward Morey and David Hughes but both these gentlemen relinquished their shares before the Egerton Co was formed – almost certainly as the threatened legal action became more likely. The company was gazetted on 28.10.1874 with 25,000 £4 shares. The shareholders were Bailey and Williamson with 6250 shares, each both maintaining their original quarter shares, Loughlin with 6150, Edwards with 5625, Davies with 625 and Brayton with 100.⁴⁴

In and Out of the Courts – the Legal Cases

The first summons to commence the 'suit in equity' was issued on 24 August 1874 almost a year after the mine purchase. There followed more than two years of intense legal activity before the Supreme Court. Public records indicate 20 separate appearances on behalf of the plaintiffs and 5 appearances on behalf of the defendants, some quite lengthy and involving various hearings, orders and appeals, not concluding until 12 February 1877.⁴⁵ The second trial by jury, for example, went for 19 days. The initial process was also long and drawn out with a total of 31 allegations, including those of fraud and collusion, filed by the plaintiffs. The defendants then responded to them, the plaintiff's allegations were then amended and defendants responded again to the amended allegations.

Over time the original 31 allegations of the plaintiffs⁴⁶ were reduced to five and then simply to two: "The five issues were really reducible to two, whether there was fraudulent

misrepresentation made by Bailey of the value of the mine, or rather of the gold that had been discovered in it, and whether or not Bailey was one of the contracting parties before the sale on the 15th September.”⁴⁷

The first trial began on 11 March 1875 in the Court of Equity before Justice Molesworth who, after a number of sometimes lengthy adjournments, decided in the defendant’s favour.⁴⁸ There followed various hearings, motions and an injunction which were refused. A motion in September that fresh witnesses be heard was also refused. On 14 September Justice Molesworth refused an application by plaintiffs for a receiver to be appointed to the company. But on 17 December 1875 the full court ordered that the profits of the mine be paid into a special account in the Bank of Victoria held jointly by Somerville Learmonth and James Williamson. This was a minor victory for the plaintiffs.

On 14 March 1876 the case was before Justice Stephen and jury. The jury were divided and this court heard of a possible attempt to bribe jurors (see below) and then “...on the 20th May, the issues were tried again before Mr Justice Stephen, and after nineteen days trial, the jury unanimously found a verdict for the defendants on all the issues.”⁴⁹ The parties appeared before Justice Molesworth again in July when the full court order of having the mine profits paid into a special account was rescinded. By then in just over six months this account had accrued the sum of £14,938.⁵⁰ A few more appeals were heard and instead of the plaintiffs taking their appeal to the Privy Council they finally agreed to settle out of court with each party agreeing to pay their own costs.

Two tactics were successfully employed by the various legal defence teams which, with hindsight, appear to have been well co-ordinated. The first was to delay wherever possible. The plaintiffs made a number of mistakes including originally identifying seven defendants including 2 shareholders who had purchased shares from ‘ring’ members after the sale. Much time was wasted trying to serve a summons on one of them - E.J. Brayton who was unable to be found by the server and it appears that this was a deliberate manoeuvre. The number of defendants was eventually reduced to five – the original members of the ‘ring’ plus the Egerton Company – each with separate legal representation. The five defence attorneys also went into enormous detail requesting matters like the court visiting the mine(refused) and the right of each attorney to challenge jury members (also refused). For every miner giving evidence for the plaintiffs there was a much larger number giving evidence – often contradictory - in favour of the defence. At times the court was overwhelmed with details of the mine operations and the depositions and evidence of miners and other witnesses for the defence.

Withers summarised the end of the case:

“The defendants won the battle along the whole line, injunction motions, issues, everything, for when the plaintiffs made another essay to get back the mine they fared worse, the jury finding for the defendants on all the issues. Disconcerted, but not yet vanquished, the plaintiffs obtained leave to appeal to the Privy Council, but after a while began to treat with the defendants. This sent the defendant company's shares up 5s. and, as it was calculated that an absolute settlement would enhance their value 200 or 300 per cent., the defendants agreed to forego all claim for costs, which were estimated at £26,000. The dispute was settled on these terms, the plaintiffs' costs being about £50,000

or £60,000 of which, if rumor were not a liar, not less than £15,000 was paid to one man to act as general overseer of the fight for them. This was the heaviest single suit in all Ballarat Mining litigation.”⁵¹

As the rumours began to circulate that the litigation had been settled the share price of the Egerton Co shares crept up by 20%. In one day when the settlement became widely known the price of each share rose by £1 and rose 400% in less than thirty days.⁵²

The Bribery Allegations

On the question of bribery Withers noted that on:

“the 3rd April [1876] the judge summoned up to the jury; the jury could not agree, not even a majority of three-fourths, and they were discharged. Mr. Dovan, one of the jurymen, said at the close of the judge's charge that he wished to make a statement which he considered a duty to himself and his fellow jurymen. "Last Wednesday evening a fellow came up to him in the interest of the defendants and offered him £250 to stand out and give a verdict on their side, and told him at the same time that they only wanted one to complete the number to form a disagreement." When the jury had announced their final failure to agree the judge said to Dovan:—"Can you recognise the person you said spoke to you Dovan replied:—"Yes, I can give his name." His Honor then discharged the jury.”⁵³

Fitzgerald noted that the police had investigated the bribery charge and found it was a hoax, but one of the defendant solicitor's clerks, named Westley, was briefly charged with 'embracery' before the charge was dismissed.⁵⁴ Further the court records indicate that a number of other attempts were made to influence, if not bribe, witnesses by both sides. In the March 1875 hearing Justice Molesworth heard that Samuel Skewes had attempted to influence mine witnesses whilst collecting evidence for the plaintiffs.⁵⁵ But it is the evidence at the first trial by jury given by John Francis, who worked as a miner at the Egerton Co for five years that is the most startling. Francis in his evidence claimed that the rich reef had been found in October 1872 and that prior to the court hearing Loughlin had tried to bribe him. Francis stated: "... the said Martin Loughlin then told me a good thing was on for the boys... [meaning the miners who had given evidence for the defendants] If you will not go into the box for us suppose I give you five hundred pounds to clear out and leave the Colony I said No He then said what do you say to one thousand pounds.”⁵⁶ Francis noted that Loughlin was accompanied by Morgan Griffiths, the underground mine manager and Thomas Davies, a Welsh miner, when the bribery attempt was made. Francis' evidence was denied by all concerned.

The fact that the jury was hung and Dovan's turn of phrase – “that they only wanted one to complete the number to form a disagreement” - implied that one or more of the jurors had already accepted a bribe. Possibly the police investigation into this matter and the charging of Westley is buried somewhere in the Public Records Office and will eventually surface. The charges against Loughlin, even though entirely within character, are unproven. He had the reputation was for 'splashing his money around' and at this time he certainly had plenty to do so.

The Political Background

The compilers of *Victoria & its Metropolis* noted that with the huge immigration that followed the discovery of gold there were many unsuccessful diggers who did not or could not return to Europe and who wanted land. They noted that “here was a large democratic tide, beating with fierce agitation against the position in which 800 or 900 squatting tenants had entrenched themselves.”⁵⁷ As early as May 1860 there had been serious riots in Melbourne over land bills being rejected by the Legislative Council.⁵⁸ Michael Cannon has noted that the campaign to unlock the lands “was conducted with great virulence” and that “On the one hand stood the squatters with their powerful economic and political interest; on the other stood the restless forces unleashed by the gold rushes.”⁵⁹ After manhood suffrage was won in 1857 the lower house was soon full of radicals and merchants whilst in the Legislative Council were the “conservative pioneers and squatters, now well entrenched and determined to hang on to their gains.”⁶⁰ Thomas Learmonth was for a short time a member of this body before returning to Scotland to take up an inherited estate in 1868. Cannon noted that “In the end the graziers alienated the sympathy of practically every other citizen by setting up their pseudo-aristocracy based on money and little else; and by opposing at every step the tide of radical reform which converted Australia into the beginnings of a liberal egalitarian democracy.”⁶¹

It was in this climate that the Egerton Case was heard. Mansfield was quite convinced that it was the political situation – the unpopularity of the squattocracy in general and in this case represented by the Learmonths – that was the overriding factor in the success of the defendants.⁶² More conservatively Brown noted: “The Mount Egerton trials were notorious because of the fortune involved and the bad blood engendered. They attracted excessive attention because they were so protracted, because they promised scandal, and because of the principals contended, or seemed to contend, across the popular line of political cleavage. They still enable sensation to stifle sense.”⁶³

A Question of Fraud

On the question of whether there was fraud and collusion in the Egerton Ring purchase of the mine the answer must be definitely in the affirmative. The contemporary case against the defendants was strong and with hindsight the circumstantial evidence against the ‘ring’ is substantial and fairly conclusive.

The mechanics of the actual transaction require close scrutiny and, of themselves, are quite revealing. The immediate sale of three quarters of the mine by Loughlin on the day he took over (or one day later) after buying it defies the logic of a bona fide purchase. He buys the mine outright for £13,500 and then immediately sells 75% of it for £3000. One would normally expect the opposite to occur; that as a bona fide purchaser he would have sold the shares at a much higher price than he paid for them. As each quarter share was valued at £3375 at Loughlin’s buying price one would expect that each of these shares was at least

worth around £4000. For a sale at around this price not to have occurred stretches all credulity. Also a single buyer selling off part of his purchase for financial reasons would usually endeavour to retain a controlling interest - at least 51% of the mine. That there emerged four equal shareholders is another indication that the syndicate was a pre-purchase arrangement. Further the fact the sale of these shares was done, according to some, after the 'supposed' discovery of a new rich 'flat reef' stretches credulity even further. Fitzgerald found the fact that this 'find' was announced quickly was in the defendants favour.⁶⁴ But Williamson, for instance, was "not clear as to how he came to get his share at such a low price."⁶⁵ There is no evidence, other than their own, that either he or Bailey paid anything for their shares and it is unlikely that they did so.

A number of later sources indicate that the mine was purchased by or on behalf of a syndicate. An obituary of Martin Loughlin inadvertently stated that he had "purchased on behalf of a syndicate, in which he was the largest holder, the celebrated Egerton mine..."⁶⁶ This was an either an unintended admission of fraud and collusion or a substantial journalistic error. If the syndicate existed before the purchase date then Bailey's participation was definitely fraudulent as he was also acting as a selling agent. This also presupposes knowledge of richer stone in the mine and that the actions of Bailey and the rest of the 'ring' were intent on deceiving the previous owners of this. The fact that Loughlin initially offered the exact amount of £12000 that Bailey had just valued the mine is also suspicious. We have only Bailey's word that he induced Loughlin to increase his offer to £13,500 which in turn was the price Learmonth had indicated to Bailey he would accept. Loughlin's initial offer was made directly to Somerville Learmonth rather than through Bailey and this may possibly have been contrived. Bailey, on the other hand, appears to have ignored a more generous offer for the mine made directly to him sometime previously.⁶⁷

It would appear that the 'ring' waited for the right time to make their purchase offer. It is significant that Loughlin began his enquiries within 2 weeks of the sale of Ercildoun. Court evidence of Robert Ditchburn stated that he had known Bailey for 7 or 8 years and in a discussion with him in 1872 Bailey had said he would 'get' the Egerton mine. Ditchburn was also familiar with both Edwards and Williamson whom he claimed had strong social connections. He also noted that: "About three or four months previous to the sale of the said Learmonth Mine by the Plaintiffs the said Owen Edward Edwards spoke to me about it he said Learmonth was about leaving for England and the mine could be got cheap and it was the biggest thing in the world and that I was to have a share in it he said the nearer it was left to the Learmonth's departure the cheaper it would be got."⁶⁸ There is in Ditchburn's statement a tinge of 'sour grapes' which casts some doubt over his evidence.

The extremely cautious approach by Bailey appears to have been deliberately designed to make him be seen as a credible adviser and seller's agent. The mine was producing a small profit and Bailey's valuation and suggested sale price was equal to 3 years of profits. His actions during the sale process were designed to be beyond reproach. At each step he seemed to be reticent in selling, suggesting at one stage that the mine be offered elsewhere to bank manager Williamson, fully aware of what the bank manager's reply would be, and directing the sale towards another member of the 'ring'. Loughlin, then supposedly prompted by

Bailey, was encouraged to increase his offer to match that requested by Learmonth. At every turn Bailey appeared to be a reluctant seller.

He also appears to have unsuccessfully tried to keep the mine's rich production secret for as long as possible after the sale. The Reports of the Mining Surveyors and Registrars prior to the sale clearly list the production in tons, yield and gold recovered for the Egerton Co. However the Mining Surveyor noted in the first three months following the takeover that: "The Egerton Company have raised and crushed during the quarter 4341 tons of stone, but for reasons best known to themselves, the yield of gold has not been furnished. I believe that during the quarter the mine has changed hands. The stone was obtained from the 375 to 550-foot levels and from a reef averaging in width 1 to 20 feet."⁶⁹ The Report for the first quarter of 1874 also only gave tonnage with no yield or gold production recorded.⁷⁰ In the subsequent quarters for the rest of 1874 the Egerton Cos returns were listed under 'Sundry Lots' for the Gordon subdivision and not under the mine name. Since all this occurred under the management of Bailey who was familiar with the statistics required by the registrars it can be assumed that this was, at least initially, an attempt to hide how rich the mine was.

Finally Bailey was reluctant to admit to the Learmonths that he was now a part owner of the mine. Justice Molesworth in his final summary noted: "The concealment practiced by the defendant Bailey, as to his own position, and as to any new discoveries of gold after the contract [of sale] may have exposed him to grave suspicion."⁷¹

Financing the Purchase

The actual purchase of the mine was done with bank credit provided by Williamson and the only security for the mine purchase was the mine itself. This was a most unusual and questionable banking practice. It presupposes that the mine had value at least equal to the purchase price. In evidence Charles Fahey, the Union Bank of Ballarat ledger keeper gave the details of Martin Loughlin's overdraft. On 15 September it was £1039. By 18 September it had risen to £7685 after processing the first cheque in the sale and on 20th it was reduced to £4545 following the transfer of £3000 from Edwards' account. On 25 September it was approximately the same at £4586 and on 27th it rose to £11336 with the processing of the second mine purchase cheque. By December 13 this account was in credit.⁷² The transfer from Edwards' account of £3000 helped bring down Loughlin's overdraft but put his own substantially 'in the red'. This latter payment could possibly be interpreted as payment for the three new shareholders. By December both accounts were cleared and 'in the black' meaning a total of more than £15,000 had been paid into their respective accounts. Fahey's court evidence indicates that neither Williamson nor Bailey paid £1000 or anything like it into Loughlin's account prior to September 27. It seems clear that the mine earnings were used firstly to clear these overdrawn accounts and this in turn indicates phenomenal earnings from the 'new' reef. The mine which Bailey valued at £12000 produced at least £15000 profit in less than 3 months and the true total probably approached a figure of double this amount. (see Table 1) The Egerton Ring had thus purchased their gold mine for nothing. And their

purchase turned out to be a ‘gold mine’ in every sense. The splitting of the cheques and the transfer of credit from Edwards was probably designed so that Martin Loughlin’s overdraft was not too large, and all of this must have been approved by Williamson. Even so the state of affairs of both Loughlin and Edwards’s accounts was noted by bank employees and later submitted to the courts.

Evidence of Collusion

To confirm collusion direct links need to be established between all the parties. How well did the four purchasers know each other if at all? Part of the takeover strategy, almost certainly designed and directed by Bailey, was that the purchaser should be remote and completely removed from any business dealings with him. Martin Loughlin was that man.

Evidence of financial connections prior to the mine purchase between the ring members is fairly thin. Martin Loughlin and sharebroker, speculator and Bailey associate Edward Wynne were both investor/promoters in two companies – the United Extended Band of Hope Co and United Hand-in-Hand and Band of Hope Co - but each company had a large number of shareholders so possibly they were not acquainted. All the other ring members had numerous dealings with Wynne, and Bailey’s association with Wynne was of long standing. Then there was the association of the three of the four through the Union Bank of Ballarat. Loughlin had banked with the Union Bank for a long time so was definitely well known to manager Williamson – especially with his substantial overdraft there. Also there was the open air stock exchange known as ‘the corner’ – diagonally across the road from Craigs – which Loughlin was said to frequent ⁷³ and as a sharebroker Edwards was there on a daily basis. As speculators both Williamson and Bailey must also have been regular visitors to ‘the corner’ – the latter at least when he was in town. Other regular attendees at ‘the corner’ were associates of one or more members of the ‘ring’ including Wynne, David Ham, ⁷⁴ Edward Morey and E.C. Moore.

Bailey and Wynne were in numerous company promotions together the earliest known being the Black Hills Co in 1859 but they both were almost certainly silent partners in a number of co-operative ventures between 1854 and that date. Williamson and Wynne were promoters in the Scottish and Cornish Co at Buninyong with 36 shareholders in September 1861 and of which Wynne became the Chairman of Directors; Loughlin and Wynne were promoters in the United Extended Band of Hope Co Ballarat in August 1863; Edwards and Wynne were promoters in the St George United Gold Mining Co (GMCo) in Sebastopol in October 1863; Bailey and Williamson in the United Happy Valley QMCo near Beechworth in January 1869 and Bailey and Edwards in the New Greed’s Reef QMCo, Gordon in August 1872. These were the first recorded investments between each of the ring members or between ring members and E.A. Wynne. ⁷⁵ The promoters and first shareholders of these companies were sometimes small groups, with as little as five or six shareholders. However the companies Loughlin was in with Wynne were both large with over 300 original shareholders. Because all the ‘ring’ members had operated as miners, mining company promoters, speculators, share

dealers and shareholders for at least 10 years before the Egerton purchase it is likely that they knew each other.

It was more than likely that the 'ring' members had closer associations through social connections. There were a number of direct links between them and indirectly through other parties. But it was through horse racing activities, and Craigs Hotel in particular, that Bailey and Loughlin would have come across each other on a regular basis. Both were keen punters and Loughlin had the reputation for making big bets. Both were regular attendees at the Dowling Forest race track. Both were probably part of the group of avid racegoers centred on Craigs Hotel that included Walter Craig, E.C. Moore, E.J. Brayton and Robert Orr. Loughlin was a permanent resident at Craigs Hotel from 1870 and possibly earlier. William Bailey's younger brother Thomas had married Craig's daughter in 1867 and he was possibly a resident there and, if not, at least a frequent visitor. Bailey stated that he lunched at Craigs when he visited Ballarat. When Walter Craig died in 1870 Thomas Bailey inherited his racehorse Nimblefoot which went on to win the Melbourne Cup that year. The brothers attended the Melbourne Spring Racing Festival and were also noted there in 1872.⁷⁶ Steeplechasing was also very popular and jockeys included poet Adam Lindsay Gordon, who resided in Ballarat for 18 months and ran Craigs Stables in the late 1860s. During the first trial the plaintiff's legal team emphasized the Craigs Hotel connections.⁷⁷ McGeorge has Bailey and Loughlin as "drinking partners".⁷⁸

Another brother J.E. (Edward) Bailey ran the family farm at Mount Rowan adjacent to Dowling Forest and Miners Rest – both places associated with the early racing industry – from about 1858. Loughlin and Bailey were both associated with the Ballarat Hunt Club though how early this club functioned is unclear. The Ballarat and Creswick Turf Club commenced racing at Dowling Forest on 8.11.1854 and changed to the Ballarat Turf Club in 1858. The Ballarat & Creswick Trotting Club operated for some time from 1861 and the top trotters of Robert Orr – another long term Bailey associate and resident of Mount Rowan – were famous in the colony at that time.

Roles and Motivations

In many ways the members of the Egerton Ring appear to have chosen themselves. Bailey, long associated with the mine, and almost certainly aware of a rich reef that could be quickly exploited, was determined to get control of it. The question was how. It seems that the plan was a long time in the making which indicates that Bailey was aware of the rich reef for a similar period. Since he had previously had the mine develop an earlier discovery which was quite remunerative for the Learmonths it must be assumed that something occurred around 1870 which set him against his employers and that made him keep the discovery of the 'new reef' or rich find secret. He was obviously determined, secretive, patient and calculating, yet able to keep up cordial and business-like relations with his employers. Bailey was without doubt the brains and the motivating force behind the Egerton Ring.

Edwards, a director of the adjoining South Learmonth QMCo was probably the first recruit. He was the “go to” man, with a large number of connections. It is possible that Edwards, who may have previously inspected the Egerton Co reefs, was aware of local gossip of a rich reef in the mine. It is just possible that the reef was discovered during one of his inspections of the Egerton mine. There is no evidence that he did so even though such an underground visit was most likely in much the same manner that fellow South Learmonth QMCo director David Ham did. As a Welshman it is possible he heard rumours of a rich find from one of the miners in the mainly Welsh mining community. Or it may have been simply the fact that he was Bailey’s sharebroker and could make many of the connections in Ballarat that Bailey living and working in Mount Egerton could not. The apparently insurmountable problem of how to finance the purchase of the mine led to the third recruit – Edwards’ bank manager James Williamson.

As the final ‘ring’ recruit Loughlin chose himself. His financial survival depended on bank manager Williamson. Otherwise he was remote from the others and appeared to be completely remote from Bailey – at least businesswise. He had all of the attributes required of a front man and a definite financial incentive to join.

Of the motivations for all there was the lure of the proverbial ‘pot of gold’. But for Bailey alone the reasons were probably a lot more complicated than greed. He was financially secure, if not wealthy, before the purchase and a man who had numerous business dealings in partnerships, management and general commerce for most of his life, both before and after the Egerton takeover. As far as we are aware, apart from the takeover, his honesty was never called into question. One would think that aside from being called a ‘dissembler’ by a Learmonth manager George Mair and his honesty criticised by Justice Molesworth, that the plaintiffs would have produced some evidence in the courts of other questionable business activities by him. On the other hand the rock solid support of the defendants – and for defendants read Bailey – amongst the Egerton miners and the Mt Egerton community indicates that they clearly had their trust and support.

The secret and root cause of the Egerton scandal lies somewhere in the operations of the mine by the Learmonth brothers – most likely between themselves and their manager. It seems that the Learmonth brothers seldom visited the mine and the first trial noted that Somerville Learmonth had never descended the ‘Rose’ shaft.⁷⁹ Even so it would seem that something stronger than the attitudes of neglectful or uninterested owners was at stake. There are many other possibilities perhaps involving a social snub of some kind or an unkind remark made about the social origins of his or his brother’s wife.⁸⁰ Or perhaps it was the aloof manner in which he was treated by the owners – that of master and servant, possibly tinged with some arrogance and a born to rule mentality - which set Bailey against the Learmonth brothers. Whether it was a single ‘slight’ or a series of them we are unlikely to ever know unless there is some folk memory held by descendants.⁸¹

The Rich Reef Discovery?

There were various depositions to the courts about when, and if, the ‘rich’ reef was discovered. And there were various claims about whether there was a ‘new’ reef or a ‘flat’ reef or whether a rich shoot was just part of the southern or ‘Rose’ reef that they had been working as a normal part of the mine operations. As noted above Bailey had said the ‘Rose reef’ was ‘worthless’ when valuing the mine for sale. The evidence from the working miners - with a handful of dissenters - all claimed that the reef was discovered either during the sale process or sometime afterwards and was part of the abundant evidence in support of the defendants provided by mine employees. Underground manager Morgan Griffiths asserted that the reef was not found until December.⁸² This directly conflicts with the evidence of Union Bank employees that both Edwards’ and Loughlin’s overdrawn accounts were paid off by December 13. There can be little doubt that the spoils from the reef under the new owners also reached down to all those mine employees “in the know”. And the rich parts of the reef were brought into production as soon as the transfer had been achieved in a common process of ore selection called ‘peacocking’. Thus Griffith’s claim was both misleading and false.

McGeorge claimed: “In 1872 the Learmonths were elated to read in one of Bailey’s reports that a drive had passed through rich stone...Their excitement was however short lived, for in a later report it was stated that the gold had ‘petered out’ and that the occurrence had proved to be ‘only a small patch’.”⁸³ ‘Dissident’ mine witnesses offered several dates as to when the rich reef was discovered. Miner Francis claimed that the reef was either found in October 1872 or that he first became aware of it at that time. The evidence of miner James Craine stated: “I first saw good gold on 4th August [1873]...I never saw gold like that before or since. They commenced to work it a week after the mine was sold.” Craine began taking notes of what was happening in the mine because “it seemed to me that something was wrong. I suspected it from what I heard.”⁸⁴ The evidence of John David Roberts, four years a miner at Mt. Egerton stated that blank stone was crushed prior to sale of the mine to Martin Loughlin.⁸⁵ The claims of Craine, Francis and Roberts appear both reasonable and corroborate one another.

Quite possibly the ‘discovery’ of the ‘new flat reef’ may have been introduced by the defence as another effort of ‘muddying the waters’. The discovery of the rich patch, whether of a new reef or a rich shoot in the old, most likely occurred in 1872. Other options from unbiased evidence suggest both April and August 1873. But it is most likely that in 1872 when Bailey told Ditchburn he would ‘get’ the mine that he already knew of the rich ore.

The hardest but most essential part of the takeover was that the ‘rich ore discovery’ had to be kept secret. There was a risk that the longer the find was ‘kept under wraps’ the greater the chance that it would become widely known. One can assume that the initial discovery was made by a small party of miners and that the underground manager was soon informed. In turn Griffiths would have immediately informed Bailey. Once the decision was made to keep the find secret a number of the working miners would have to have been included in the deception. The miners who henceforth worked in the discovery area most likely were a small group selected by Griffiths and with one or two exceptions coming from the Welsh mining

community. The bulk of the miners continued to work in the low grade Quarry lode at some distance from the new find. After the second trial and the bribery allegations it appears certain 'the boys' were on some kind of 'a promise'.

But the risks of the find being publicised were small. Mining communities were close-knit and Mount Egerton was no exception. The Welsh were a clannish and easily identified national group within this community, as were the Cornish into which group Bailey had married. This is supported by the fact that only a handful of miners testified against the defendants out of a workforce that, allowing for a small turnover, was probably well over 100. The miners that did give evidence for the plaintiffs were then ostracised by the community.⁸⁶ Prior to the sale the yield was tightly and successfully controlled by Bailey keeping it at about 6 pennyweights of gold recovered per ton probably by selecting and mixing ores from different parts of the mine. (see table 1)

Whilst the Mt Egerton community was close-knit Somerville Learmonth, still living at Ercildoun, was in a similar community, not only remote from Mt Egerton but also to a certain extent from Ballarat. He had been preoccupied with the sale of Ercildoun and his return to Scotland, and had delegated the sale of the mine to Bailey. The disposal of the Egerton mine at a small profit was probably seen as a bonus. His connection with the mine and Mt Egerton was through Bailey. Each time Bailey had business to transact with the owners he visited Ercildoun. However it is clear that once the sale had been made and some of the rich ore selected, mined and processed, all under the direction of Bailey, that gossip about this must eventually have reached Ercildoun, most likely before the end of November.

Afterwards: The Egerton Mine and the Egerton Co

Immediately after the take-over on 20.9.1873 the mine commenced crushing rich stone, calculated by one miner as '2 oz stone'.⁸⁷ As noted previously the overdrafts of both Loughlin and Edwards - used to purchase the mine - were paid off in less than three months indicating a profit of at least £15,000. Bailey stated that his share of profits prior to the court ruling for the profits of the company to be paid into a special account on 17.12.1875 was about £30,000 or £120,000 for the whole mine. This confirms an average of at least £5000 per month profit for this period. Between 17.12.75 and July 1876 when the profits were paid into the special Supreme Court nominated account held by Williamson and Learmonth the amount accrued was only £14,938 or just over £2000 per month.⁸⁸ There can be little doubt that the mine operations were organized by Bailey during this period to reduce profits - possibly by crushing some poor stone or carrying out extensive unproductive mine development. Table 2 below indicates that possible means of reducing profits included increasing the workforce size, crushing slightly lower tonnage indicating more development work, the possible dilution of the rich ore with some poorer stone and increased capital expenditure to double the size of the crushing plant. The dividends to that date for the company were listed as £78,180 for the first 9 months of company operations.⁸⁹ The net income of the mine prior to the company formation

I estimate at a minimum of £75,150 which when added to the dividends prior to the opening of the court ordered account gives approximate profits of £160,000 for the first 27 months of the company operations. It can be assumed that the first six months of operations, for which there are no records of yield, were probably the most productive and, if so, that Bailey may have substantially understated his profits for this period - by at least £10,000.⁹⁰ The tables below give some idea of output and yield.

Table 1

Estimates of Production and Income of the Egerton Mine 1872-1874#

Quarter ending	tons	yield	oz##	£total
Dec 72	3186 [^]	5dwt 21gr	937	3748
Mar 73	3582 [^]	5dwt 12gr	986	3944
June 73	3300 [^]	5dwt 6gr	857	3428
Sep 73	3651 [^]	6dwt 5gr	1140	4560
-----Transfer-----				
Dec 73	4341 [^]	c.2oz?	c.8680?	c.35000
Mar 74	4266 [*]	c.2oz?	c.8532?	c.35000
June 74	4704 [*]	1oz 11 dwt	7416	29664
Sep 74	4272 [*]	1oz 11 dwt	6622	26486
Dec 74	4620 [*]	1oz 1dwt	4818	19272

#mainly based on the quarterly Reports of the Mining Surveyors and Registrars, Vic. Parl. Papers (available online as pdfs). ## 1oz =28.4grams= 20dwts, 1dwt=24 grains. Total income based on a gold price of £4 per ounce. [^] listed in the reports as the "Egerton Co". ^{*}listed in the reports as "Sundry Lots". Although not identified as such, the tonnages and yields which were exceptional, clearly indicate that they came from the Egerton mine

Following the conclusion of the litigation the company continued issuing regular large dividends, totalling between £5000 and £26,000 bi-annually, until July 1883 when a total of £276,666 in dividends had been issued to that date.⁹¹ The mine worked for another 20 years and issued a further £43,000 in dividends. The first calls for fresh capital were made in 1887.⁹² It is suspected that by then the original shareholders had either watered down their original shareholdings substantially or had sold out altogether. Martin Loughlin's estate for instance held no shares in the Egerton Co in 1894.⁹³

Table 2**Estimates of Production and Income of the Egerton Mine 1875-77#**

Quarter ending	tons*	yield	oz	£ total	£ Div.
March 75	6093	1oz 13 dwt	10219	40876	
June 75	5409	1oz 1 dwt	5929	23715	55264
September 75	5367	1oz 2dwt	5990	23960	
December 75^^	5358	18dwt	4824	19296	22916
March 76^^	4728	15dwt	3570	14280	
June 76^^	4655	12dwt	2964	11856	Nil
Sept. 76	5559	est.17dwt	4674	18696	
Dec 76	4653	7dwt	1663	6652	19999
Mar 77	4791	7dwt	1629	6516	
June 77 **	9843	11 dwt	5275	21100	10000
Sept 77	8469	7dwt	3112	12448	
Dec 77	10,116	7dwt	3376	13504	7500

#mainly based on the quarterly Reports of the Mining Surveyors and Registrars, Vic. Parl. Papers (available online as pdfs). Total income based on gold price of £4 per ounce. *all these tonnages attributed to 'Sundry Lots' in the Gordon Subdivision. ** tonnage treated doubled when crushing capacity increased to 43 stamps / mine now employing 185 men. ^^ profits paid into Court Ordered Account

The sums calculated during the court ordered account (Table 2) indicates operating costs of the mine had nearly doubled from its pre-sale operations to about £24,000 pa.⁹⁴ By July 1877 both the work force size and crushing capacity had also been doubled, indicating that a substantial proportion of the mine profit was invested in expansion.

Afterwards: The Seven Hills Syndicate and the Creswick Deep Leads

On 21 April 1875 whilst the Egerton litigation was in full swing Bailey, Loughlin and Ballarat speculator E.C. Moore purchased the Seven Hills Estate under which, they had calculated, ran the Creswick Deep Leads.⁹⁵ The purchase was an amazing and spectacularly successful venture as the property was over some incredibly rich deep leads and the opening up of which was financed largely from the profits of the Egerton Co. The 6000 odd acres of the Estate was eventually the home of at least 12 deep lead companies all but one eventually producing gold.

To spread their risk the buyers formed the Seven Hills Estate Freehold Co as a trading company. Initially with 200 shares of £250 nominal capital each Loughlin and Bailey always held more than 50% of this company except for one brief period - the half year leading up to 11.10.1876 when Loughlin had 60 shares and Bailey 38. By 1879 Bailey held 100 shares each paid up to £100.⁹⁶ The company, now the Seven Hills Estate Freehold Co NL, was re-registered as a mining company on 23 May 1881 with 10,000 shares of £20.⁹⁷ Bailey held 4,500, Loughlin held 4000 and Ballarat sharebroker David Ham held 500, altogether 90% of the company. All were original shareholders and each maintained their respective holdings until they died. The company charged a royalty of seven and a half per cent on all gold recovered and had paid more than £320,000 in dividends by the time it closed. The land was sold in 1907. It appears that the return from the final land sale, reputedly for £50,000, was not included in this figure.⁹⁸ It is of interest that for a short time in 1878 Williamson held a small parcel of shares in the original Seven Hills Estate Company. Edwards was never a shareholder in either company.

The Seven Hills Estate was progressively mined by a dozen or more highly successful deep lead companies including the Lone Hand GMCo; the Ristori Freehold Co; the Ristori West GMCo; the Madame Berry GMCo; the Madame Berry West GMCo; the Berry Consols GMCo and the Berry Consols Extended GMCo. The Loughlin GMCo, comprised mainly of Seven Hills Estate shareholders, was the first mine formed on the Seven Hills Estate in October 1875. Some other less successful ventures included the Lord Harry GMCo and the West Loughlin.⁹⁹ The Madame Berry was the “jewel in the crown” - a company claimed by Graham to have been the richest deep lead mine in the world. “It was a veritable Cave of Aladdin and its fame spread far and wide throughout Australia. It had a consistent and happy career...”¹⁰⁰ This mine on a paid-up capital of £15,975 for its 10,000 shares eventually paid £983,770 in royalties and dividends with a return of more than 60 times the original investment. Loughlin was a promoter of this company and originally held 1000 shares. His estate in 1894 still had 100 shares. The Madame Berry at this time was still producing and paying dividends. Owen Edwards also originally held 333 Madame Berrys.

It is most likely that William Bailey at some time also held Madame Berrys but there is no direct evidence for this. The best time to buy contributing shares was when calls were being made on capital and shares were being forfeited. Bailey was closely associated with all the Seven Hills leases and therefore receiving plenty of inside information. It would have been possible, for example, for him to buy shares just before the alluvial wash in the deep lead was reached. The records of the first Seven Hills Estate Co indicate Bailey was a frequent buyer and seller of shares.¹⁰¹ Loughlin and Bailey either singly or together were promoters, shareholders or directors in the following Seven Hills companies: Madame Berry, Madame Berry West, Berry Consols, Berry No 1, West Loughlin, Loughlin, Lone Hand, Lord Harry, Ristori Freehold and the Ristori West.

Table 3 Some Deep Lead Companies on the Seven Hills Estate*

Company	Capital £	Gold oz	Div./Roy. £	Ret./cap.#	yield^
Madam Berry	15,975	387,314	983,770	62 times	85.1
Ristori Freehold	6,650	231,650	104,224	16 times	62.4
Madam Berry West	9,000	141,500	91,800	10 times	47.2
Lone Hand	15,350	283,250	126,050	8 times	47.3
Ristori West	12,000	38,401	84,850	7 times	39.2
Berry Consols	76,000	190,799	393,090	5 times	52.3
Loughlin	17,400	38,176	70,260	4 times	46.7

* based on McGeorge pp.58-9 Fahey (Fahey, Charles. *The Berry Deep Lead* CF&L, Melbourne 1986) and Graham have variations on these amounts. ^ yield in dwts per fathom of ground. # dividends & royalties /capital

Afterwards: Mines, a Bank, Land and Horses

All the ‘ring’ kept investing in gold mines, although Williamson had only an occasional ‘flutter’. Besides those at Creswick, these investments were mainly, but not exclusively, concentrated on deep leads in the Maryborough district at Timor, Carisbrook and Majorca. Loughlin and Edwards were the major investors in the Duke & Timor GMCo in 1878. This mine functioned profitably until 1885 when Loughlin associate B.J. Fink took over the mine when it was threatened with closure. Fink, who had been investing in mining ventures in the Maryborough district since 1878, was often promoting mines with the Seven Hills shareholders and their associates. Bailey invested in a range of mainly ‘deep lead’ mines in this district including Chalks Estate GMCo; Majorca United Leads; Napier Extended; Chalks Freehold; Napier Freehold GMCo; Chalks No.1 and Kong Meng No.2¹⁰² Some of these mines issued substantial dividends. Frequently both Bailey and Loughlin as major shareholders of these companies sat on directors boards, sometimes as Chairman.

In 1882 B.J. Fink formed the Joint Stock Bank of Victoria in Ballarat. The ‘ring’ members, with the exception of Edwards, were all large subscribers to the bank; Bailey with 7635 shares was the largest shareholder, Loughlin had 7360, and Williamson 3330 – nearly 20% of the total capital. Williamson had returned to Ballarat, been elected to the Legislative Council as a member for Nelson, and became an original director, with Loughlin and Bailey, in the Joint Stock Bank of Victoria.¹⁰³ Following its merger with the City of Melbourne Bank Williamson, who was possibly by now resident at Tintern, Toorak, continued as a director of the merged entity. He was still a director in 1893 when the Bank crashed. The collapse of the City of Melbourne Bank sorely tried Loughlin, Bailey and Williamson who were still holding 7175, 1772, and 512 shares respectively.¹⁰⁴ These shares were nominally £5 but paid only to £3 and shareholders were legally liable for the uncalled amount. Williamson was also among the directors charged with issuing two false balance sheets but was eventually acquitted in

1896.¹⁰⁵ During the 1880s this Bank was probably a major source of finance for the expansion of the Bailey and Loughlin empires. For example it was the banker for the Chalks No 1 GMCo which had a £1349 19sh 2d overdraft with the City of Melbourne Bank in 1888. It also possibly provided the large loan following Bailey and Wynne's purchase of Terrinallum Station.

Prior to the bank crash of 1893 Williamson held Trida Station in the Riverina. Reputedly he had interests in a number of pastoral properties, as had Bailey and Loughlin. Trida, near Mossgiel NSW, was managed by one of his sons and thought to have incurred heavy losses during the drought years of 1895-1902. Bailey and Wynne purchased Terrinallum Station of 47,331 acres in 1883 for £230,000 and then reputedly borrowed £100,000 on the purchase.¹⁰⁶ Terrinallum was a premier stud Merino property visited by the Governor General in 1894 during a tour of the Western District. Bailey is also supposed to have invested in a "good deal" of pastoral properties in NSW but apart from non-specific references in obituaries we have no detail.¹⁰⁷

Loughlin supposedly owned hotels¹⁰⁸ and was part owner of Welltown Station, Goondiwindi, and other property in Queensland. On his death he owned Glengower Station of 18,000 acres outright and solely – the station that he thought the Creswick 'deep leads' would continue under.¹⁰⁹ This property formed the bulk of his estate.

Williamson returned to England in 1878 for 3 years and before departing sold his shares in the Seven Hills Estate Co. It is possible that he also sold his Egerton Co shares at this time as they would have been at a premium price. In 1888 Williamson was listed as a Victorian director of the Pastoral Finance Trust & Agency Co of Australasia, along with E.A. Wynne. This appears to have been a typical 'land booming' company which soon disappeared in the depression. He appears to have only occasionally invested in mining on his return but may have been in any number of companies through the 1880s and was certainly involved in land and company speculation. Besides Trida Station in the Riverina he is thought to have at some stage had an interest in Tottington, St. Arnaud.

Loughlin, boarded at the Esplanade Hotel, St Kilda during the spring racing season. The Australian Dictionary of Biography entry for jockey Tommy Corrigan stated that by "1877 he was settled in Ballarat where he found a patron, Martin Loughlin. For over a decade the combination of Loughlin owner, Wilson trainer and Corrigan jockey dominated the Melbourne and Victorian Country Race-courses."¹¹⁰ Loughlin kept a large stable and 'Sheet Anchor' won the Melbourne Cup in 1885 and 'Oakleigh' won the Caulfield Cup in 1887.¹¹¹ Bailey had at least 13 successful horses raced over 23 years and he was a "conspicuous figure at Caulfield and Flemington at one time."¹¹² He also regularly attended meetings at Dowling Forest until his last illness. Unlike his younger brother and his associate Bailey did not win a Melbourne Cup but like Loughlin he spent a lot of money on yearlings that took his fancy, occasionally placed very large bets and now and then profited on a horse sale.¹¹³ He was patron to James Scobie who, for many years, trained his horses at Miners Rest and was the son-in-law of his close friend and sometime racing partner Robert Orr.¹¹⁴

Ends and a Few Loose Ends

The fate of Owen Edwards is one loose end. His last known mining investment was in the Prince of Wales and Bonshaw United Co in 1886.¹¹⁵ There are two possible death dates for him. The earlier one is in 1905 at Ballarat and comes from Internet sources and seems the most likely but there are no probate records for this individual.¹¹⁶ This source cites his full name of Owen Edward Edwards, with a birth date of 1828 and an age of 77. The other lesser possibility occurs on 28 March 1919 of a grazier from Nhill and late of Koornda, Malvern. This Owen Edwards left an Estate valued at £23,780 but no mining shares.¹¹⁷ If this is our Owen Edwards he was 89 to 91 years old when he died. There is a very slight chance that Edwards returned to Wales.

Probably Williamson moved from Tintern to Helenslea Brighton after the depression and bank crash in 1893 where, following his acquittal on charges relating to the City of Melbourne Bank fiasco, he gradually divested himself of his remaining property. Like Loughlin the depression must have severely depleted his income and resources. The trial must have been a terrible strain on whatever capital he had remaining but he appears to have remained solvent. When he died on 19 September 1914 his total estate was worth £116 consisting mainly of a bank account and he had no real estate whatsoever. The title to Helenslea was held by the estate of a son who had predeceased him.¹¹⁸

Martin Loughlin's investments in property – principally Glengower Station - plus providing substantial mortgage loans to Armitage, Winter-Irving and other friends, his Seven Hills Estate shareholding and his savings accounts, provided the bulk of his estate.¹¹⁹ Apart from his shares in Seven Hills, Madame Berry and the Duke Estate, which all returned dividends to his estate, his bank and other shareholdings were a disaster. He reputedly got his fingers burnt by his Tramways shares. If he had purchased his holding of 7001 shares near the top of the boom then he would have lost around £50,000 on this deal. Besides any other dealings of this kind Loughlin lost heavily with calls for unpaid capital being made on all his banking shares. The Commercial and the City of Melbourne Banks were the worst offenders but substantial calls were also made by the National Bank.¹²⁰ One can assume that there were numerous other financial ventures by Loughlin that he lost money on during the depression of which we have no record. These losses could easily amount to the £100,000 Loughlin reputedly lost in the crash. On his demise Loughlin possessed no shares in the Egerton Co – the company on which his fortune was based. More recently he has appeared prominently as the 25th richest Australian ever on Rubinstein's *All Australian Rich List* where his estate was calculated as the equivalent of \$1.37 billion in the year 2000.¹²¹

Loughlin possessed no horses on his death but did have a number of paintings of horses in his possession, including one by Frederick Woodhouse, and one of his horse 'Lord Harry'.¹²² It remains a mystery why a man who was so passionate about horses and racing most of his life suddenly gave up his stable, and according to MacCallum, gave away horses worth £5000 to

his friends.¹²³ It is an unusual coincidence that Loughlin became ill and eventually died a relatively short time after his favourite jockey Corrigan had died after a steeplechase fall.¹²⁴

Bailey had his mansion built in 1883 at a cost of £14,000 and the following year he purchased the Terrinallum station. When he died in 1906 the Terrinallum property, managed by one of his sons, was the major asset in his estate. The mansion in Drummond Street appears to have been in his wife's name as it was not listed amongst his estate's assets. Among his assets was the racehorse Taunton. The final probate figure for his estate was £171,405.

I have some sympathies with two of the 'ring' - Bailey and Loughlin. They were men who were once working miners and became, in the Egerton case, accidental representatives of the working and mercantile classes in their political struggle against the squatters. Bailey stands out for his intelligence and Loughlin for his bravado. Both men are largely forgotten. At worst Loughlin was a likable rogue and the Egerton scandal the one known blemish on Bailey's business career.

Addendum

On the day I presented a summary of this paper to a small audience at the AHA conference at Federation University Ballarat in August 2016 I discovered a recently published work that altered some of my findings. In particular Julie Kincaid's *To the Miner Born: a stockbroker's life in the Ballarat gold rush* (The Author, 2015) added substantially to the knowledge on Owen Edwards, who along with Williamson, I considered a minor member of the ring. Kincaid confirms that Edwards died in Ballarat in 1905 and adds considerable details of his career. In Ballarat in 1854 he was in business as a tent maker and reputedly made three flags for the rebel miners at Eureka. As the town of Ballarat was established on a more permanent basis Edwards became a mining capitalist and sharebroker. According to Kincaid he was hit hard by the 1890s depression and died relatively impoverished. This is hard to imagine after the large amounts he must have earned in both the Egerton mine and the Madame Berry. With 3.3% of the total shares of the Madame Berry GMCo which eventually earned dividends of about £48 per share, Edwards' original holding earned about £16,000 in income through the life of the mine. The life of this highly productive mine extended right through the 1880s and through the depression years of the 1890s. The reason for Edwards' poverty must lie in his propensity to deal – buying and selling shares and in this case selling early the shares in those fabulous money earners the Egerton Co and the Madame Berry. As we have no records of sales it is possible that Edwards sold his shares in the Madame Berry before the mine started producing. It is even possible that as Bailey's sharebroker he sold them to his 'Ring' partner. Even so his earnings from the Egerton mine before he had an opportunity to sell must have been stupendous – possibly as much as £50,000 – and how Edwards dissipated such a huge amount is in itself a mystery. The main difference between Loughlin and Bailey, who both died incredibly rich, and Williamson and Edwards was that the latter were not members of the Seven Hills Syndicate. Even so for Edwards to have lost so much he must have been an incredibly unlucky and inept businessman. Kincaid's book is in part family

history, and covers the Egerton scandal from a different, far more sympathetic, viewpoint on the defendants' behalf. Further information can be obtained here <http://totheminerborn.com.au/>

End Notes

1. The Egerton case can be found in general accounts such as Blainey, G. *The Rush that Never Ended*, MUP, Melbourne, 1978 (Blainey may have been the first to coin the term 'Egerton Ring') and in Bate, Weston. *Lucky City*, MUP Melbourne, 1989. More detail can be found in Withers, R.B. *History of Ballarat* <http://gutenberg.net.au/ebooks13/1304971h.html> (unpaginated) and McGeorge, J.H.W. *Buried Rivers of Gold* (Melbourne 1966). Specific papers on the case are Fitzgerald, F.J. William Bailey and the Egerton Mine. State Library of Victoria (SLV) Box 502/8 MS7944; Brown, PL. William Bailey and Mount Egerton VHJ 153:39 Aug. 1968 No.3; Mansfield, Peter. 'I want no explanation from you, Sir'; the Egerton Gold Mining Company Dispute 1873-1876 (privately published copy held Prahran Mechanics Institute). Both Mansfield and McGeorge appear to have based their accounts heavily on newspaper reports.
2. McAdie, M. Index of Shareholders and Mining Companies in Victoria between 1857 and 1886, CD ROM, Ararat, 2006
3. Some accounts, notably Fitzgerald and repeated by Mansfield, have the cheque paid to Bailey as £725. This is incorrect. The commission on the sale was £675 and the bonus £25. A number of other minor errors have been perpetuated by Fitzgerald including having Bailey work at Mt. Cook instead of Pt. Cook in the period preceding gold discovery.
4. Ercildoun Homestead <http://www.ercildoune.com.au/index.php?page=history> accessed 30.10.15. Note the sale of Ercildoun on 22.8.1875 (Sale date accessed 17.11.15 <http://trove.nla.gov.au/ndp/del/article/18776661>) was the last of the Learmonth's pastoral property in Victoria but they still held Bringagie in the NSW Riverina of some 300,000 acres managed by George Mair (see Australian Dictionary of Biography entry) which became the basis of another pastoral empire. Note spelt Ercildoune by several sources including McGeorge.
5. Withers, R.B. *History of Ballarat...*
6. Rubenstein, William R. *The All-time Australian 200 Rich List*, Allen & Unwin Sydney 2004
7. P. L. Brown, 'Learmonth, Thomas (1818–1903)', Australian Dictionary of Biography, National Centre of Biography, Australian National University, <http://adb.anu.edu.au/biography/learmonth-thomas-2835/text3059>, published first in hardcopy 1967, accessed online 29 October 2015. Note the Learmonth's were landed gentry in Scotland and considered so by De Serville, Paul. *Port Phillip Gentlemen*, OUP, Melbourne, 1980, p.179 Their wealth prior to the venture in the Port Phillip district was based mainly on Thomas senior's work in the East India Co and then as a merchant in Hobart. The youngest brother Andrew also served as an ensign in the East India Co. c.1845-1850. The family members all adopted the name Livingstone-Learmonth to satisfy terms of inheritance through the female line. Brown states "By 1853, however, Thomas Learmonth senior was in Scotland... There he remained, succeeding to the Parkhall estate in 1864, and taking the name of Livingstone before his own." Andrew James Livingstone Learmonth may have been the only brother to have 'Livingstone' in his original name. Like most accounts I have a preference for the original name.
8. Billis & Kenyon. *Pastoral Pioneers of Victoria*, Stockdale Press, Melbourne, 1974 various entries.
9. Bate, Weston. *Lucky City* p.2. I am not sure whether the mistake in acreage was made by Bate or Robinson.
10. Billis & Kenyon. *Pastoral Pioneers of Victoria...*
11. De Serville. *Port Phillip Gentlemen*, p.180
12. Henry Cuthbert, later one of the defendant solicitors in the court case, had mining interests in Buninyong in 1857 and later bought 1100 acres off the Learmonth's there for £20,000. M. Martina Benson, 'Cuthbert, Sir Henry (1829–1907)', Australian Dictionary of Biography, National Centre of Biography, Australian National University, <http://adb.anu.edu.au/biography/cuthbert-sir-henry-3306/text5035>, published first in hardcopy 1969, accessed online 27 October 2015.

13. Withers, R.B. *History of Ballarat*. It appears the Llanberris Co did not begin to make profits from this mine for some time.
14. Ibid.
15. Information on the Staffordshire Reef QMCo is sparse. It appears to have operated from about 1860 to 1867. The Report of the Mining Surveyors and Registrars, Quarter ending 31st March 1865 [parliamentary papers] pdf online for the 1st quarter 1865 has the Staffordshire Reef Co mined 4662 tons for 602 oz or 2dwt 14gr per ton. It was then operating at the 150 foot level on 10 foot wide lode. A surprising number of mines producing similar low grade ores were still able to issue dividends.
16. Smythe, RB. *Goldfields and Mineral Districts of Victoria*, Queensberry Hill Press, Melbourne, 1980, p.300
17. Fitzgerald. William Bailey and the Egerton Mine... p.18 has the mine earning £15,000 per annum for 3 years under Bailey's early management but it is not clear whether this figure is total earnings or profits. The mine prior to Bailey taking over was on '1oz stone' which must have produced profits approaching this figure listed by Fitzgerald. As the mine was earning £4000 profit on '6dwt stone' when sold it must be assumed that Fitzgerald's estimate was referring to profits. This gives a figure of about £60,000 for profits over 10 years of Learmonth ownership.
18. Margaret Kiddle argued otherwise: "The Learmonth loved the country they had taken possession of and they had given it much. Not only was Ercildoun a 'princely' estate where Victorian squatting life was seen at its best, it was also one of the greatest sheep studs where the Australian Merino was created. The Learmonth brothers might perhaps have never left the country if they had not been hounded by envy and malice." Kiddle, Margaret. *Men of Yesterday*, MUP Melbourne, 1967 pp.278-9.
19. Austin McCallum, 'Loughlin, Martin (1833–1894)', Australian Dictionary of Biography, (ADB) National Centre of Biography, Australian National University, <http://adb.anu.edu.au/biography/loughlin-martin-4040/text6423>, published first in hardcopy 1974, accessed online 27 October 2015
20. Rubenstein, William R. *The All-time Australian 200 Rich List*, pp.117-18. This calculation appears extreme. If for example Loughlin received the full pay-out as a shareholder in the Kohinoor Co-operative he would have received £7611 (£304,460 total earnings divided by 40 shareholders). This full payment seems unlikely as he appears to have moved between co-operatives fairly frequently. However even if he was worth £10,000 in the 1860s Loughlin was still a very rich man. There are other small errors in Rubenstein, for example talking of Loughlin holding 'Lead mines', in reality 'deep lead' gold mines.
21. Egerton Mine Litigation. Report of Evidence & Copy of Exhibits Learmonth V Bailey et al SLV Box 502/8 MS8549 p.16. The average wage was about £100 per annum.
22. Brown, PL. William Bailey and Mount Egerton. Brown suggests from 1853 to 1860 whilst Bailey was a partner in Wilsons stores that he was not involved in mining. This is almost certainly incorrect as he appears to have been an investor in numerous deep lead co-operatives between 1853 when he bought a claim on the Canadian Lead and 1859 when he paid £500 for a one sixth share in the Black Hills Company partnership. Bate in *Lucky City* notes the deep lead miners: "were also supported by storekeepers and other capitalists, often ex-miners, who supplied provisions, slabs and equipment in return for shares. Business profits were literally a sinking fund at the service of co-operatives of between four and twelve miners which storekeepers unhesitatingly joined, and from which they drew splendid profits..." p.35. From the moment he joined the rushes Bailey was connected with mining for the rest of his life.
23. Argus 26.4.1906 Obituary of William Bailey. He probably first made his first contacts with other pioneer miners at this time including David Ham and Edward Morey and others who became longtime associates and business partners.
24. https://bih.federation.edu.au/index.php/Black_Hill_Chronology
25. Bate, Weston. *Lucky City* p.89. The Black Hills Company was a long lived mine operating on a large low grade ore body. The Reports of the Mining Surveyors and Registrars for March 1865 (parliamentary papers pdf) noted the Black Hill Co crushed 9000 tons for 879oz for the very low grade of 1dwt 23gr. Despite this it still issued occasional dividends and Edward Wynne was a director or chairman of this company for many years. His estate still held 1200 shares in this company in 1898.
26. Like the Learmonth who eventually inherited estates in Scotland through the female Livingstone line (see Note 7) the Baileys were also from a landowning family – William's father being the younger son and thus with primogeniture, passed by. Brown has the 'family

- seat' held by William's first cousin Charles Bailey at Lee Abbey, Lee Bay, Linton, North Devon.
27. McAdie, M. Index of Shareholders and Mining Companies in Victoria...
 28. Evidence of Robert Ditchburn in Public Records Office Victoria (PROV) VPRS 259 P1 Unit 156 Item 1526
 29. James Williamson <http://www.parliament.vic.gov.au/re-member/details/829-james-williamson> . Billis & Kenyon. *Pastoral Pioneers of Victoria...* has a William McGill as McGill & Co holding Burrumbeep Station south of Ararat at this time.
 30. McAdie, M. Index of Shareholders and Mining Companies in Victoria...
 31. Ibid
 32. Brown, PL. William Bailey and Mount Egerton...
 33. Ibid
 34. Ibid p.140. This underground development at a time when the mine is almost sold seems unusual. It may have been part of the plan for the 'new reef' to be 'discovered' during this operation and brought into production as soon as the sale had gone through. Williamson's comment when refusing to make an offer of purchase claimed that the mine "was worked out". (Ballarat Star 14.4.1875) George Warren's evidence suggested a diametrically opposite opinion on the 'Rose' reef. See Note 37.
 35. Ibid
 36. Ballarat Star 18.3.1875
 37. The first newspaper report of possible legal action was in the Ballarat Star on 24.12.73. Original enquiries were probably made in early October through George Warren, before a detective was employed to make further enquiries at Mt Egerton. Warren concluded the Rose reef was worth £100,000 to £200,000 and the 'ring' had carried out "a great swindle". (Fitzgerald p.12) Warren's figures eventually proved to be underestimates. Loughlin and Bailey most likely visited Ercildoun in response to these enquiries.
 38. Ballarat Star 18.3.1875
 39. McGeorge. *Buried Rivers of Gold...* pp.21-2
 40. Mansfield. 'I want no explanation from you, Sir'...
 41. Ballarat Star 24.12.1873
 42. Income between the purchase of the mine on 20.9.1873 and the full bench court order creating a special account into which all mine profits were to be paid on 17.12.1875. See table 1 for estimates.
 43. Learmonth V Bailey PROV VPRS 259...
 44. Defunct Mining Company Records. The Egerton Co PROV VPRS 567/0/64/1264. This is so far the only error I have found so far in McAdie, M. Index of Shareholders and Mining Companies in Victoria... where she has the Egerton Co with 20,000 shares and Edwards holding only 625 when in fact the company was 25,000 shares with Edwards holding 5625 shares. This in turn may have been a printing error in the Government Gazette.
 45. Index of Cases in Equity p.137 and p.210 PROV VPRS 1697 P0 Unit 4
 46. Learmonth V Bailey PROV 259 P1 Unit 156 item 1526
 47. Famous Victorian Trials VI The Mt Egerton Litigation The Age 8.11.1930
 48. Ballarat Star March – May 1875. There is some divergence amongst the sources on who heard the various cases. McGeorge (p.27) notes that the opening case was first heard by Chief Justice Stawell before Justice Molesworth took over. Molesworth heard the original case and the later appeals and hearings following the second trial by jury. Justice Stephen heard both the trial by jury cases. The only time the court was presided over by Chief Justice Stawell were those before the full bench.
 49. Victorian Law Reports, Melbourne, Govt. Printer 1875 Vol II p.86
 50. ibid p.85. The mine appears to have had profits of at least £5,000 per month prior to 17.12.75 which were reduced to about £2000 per month during the existence of the court sanctioned account. During the first months of operation there can be little doubt that the richest ores were selected. This was a process commonly known as 'peacocking'. There were a variety of ways that profits could be reduced substantially whilst the court sanctioned account was in effect. Available statistics indicate the yield dropped but not substantially and the tonnage treated may have slightly increased. The workforce was dramatically increased and a large amount of non-productive work was carried out on mine and plant development, including doubling the size of the treatment plant to 42 head. See note 90 for further estimates.

51. Withers. *History of Ballarat...* The last note was probably a reference about George Warren – Mt Egerton mine capitalist, who was a witness for the plaintiffs and appears to have done a lot of work on their behalf. Fitzgerald William Bailey and the Egerton Mine. p.12
52. Mansfield 'I want no explanation from you, Sir'... pp.18-19; the Ballarat Star 20.1.1877 announced the end of the case and on 12.2.1877 reported the extraordinary increase in share price.
53. Withers. *History of Ballarat...* This was a sizeable bribe equivalent of two and a half years of a working man's wage.
54. Fitzgerald. William Bailey and the Egerton Mine p.18. It appears that a clerk working for one of the defendant's solicitors named Westley was initially charged with the crime of 'embracery'. The Argus of 12.5.1876 noted: "In support of the allegation as to the defendants being likely to be prejudiced affidavits were put in by two of the defendants that paragraphs had appeared in the Age and Leader newspapers in connexion with the "embracery" case in which a juror at the former trial, named Dovan, had made an allegation that he had received the offer of a bribe from a young man named Westley. It was true that this allegation was so ridiculous that it broke down, and the case was dismissed."
55. PROV VPRS 259 P1 Unit 156 Item 1526
56. Ibid
57. *Victoria & its Metropolis*, McCarron Bird, Melbourne, 1888 Vol. 2A p.445
58. ibid pp.449/50
59. Cannon, M. *Life in the Country: Australia in the Victorian Age*, Vol. 2 Thos. Nelson, Melbourne, 1973 p.128
60. Ibid
61. Ibid p.195
62. Mansfield. 'I want no explanation from you, Sir'...
63. Brown. William Bailey and Mount Egerton... p. 142
64. Fitzgerald. William Bailey and the Egerton Mine p.18. As indicated in the text the 'new reef' was probably bogus.
65. Egerton Mine Litigation. SLV MS7944 p.9
66. Obituary Martin Loughlin. Note that this piece is inaccurate in claiming Loughlin as the 'largest holder' <http://trove.nla.gov.au/ndp/del/article/8707780>
67. Evidence George Warren who claimed he offered £25,000 a few months before the actual sale. Egerton Mine Litigation. Report of Evidence & Copy of Exhibits Learmonth V Bailey et al SLV Box 502/8 MS8549
68. Evidence of Robert Ditchburn Learmonth V Bailey PROV VPRS 259...
69. The Reports of the Mining Surveyors and Registrars, Vic. Parl. Papers (pdf) 31.12.1873
70. Ibid
71. Victorian Law Reports p.243
72. Egerton Mine Litigation. Report of Evidence... p.16 MS8549. It is not known what securities were held for Loughlin's Bank Overdraft but McGeorge and others may have exaggerated his property holdings in 1873. However the securities for Loughlin's overdraft were valued at £5000 (Ballarat Star 14.4.1875) and may have included some hotel titles, but I suspect that the bulk of the securities were mining shares.
73. McCallum. 'Loughlin, Martin (1833–1894) ADB
74. Ham, along with Owen Edwards, was a director of South Learmonth QMCo. A brief biography can be found here <http://petergardner.info/publications/david-ham-mlc-1830-1908/>
75. McAdie, M. Index of Shareholders and Mining Companies in Victoria...
76. Graham. *Early Creswick: the first century* p.82. Graham has Walter Craig recount "I had a dream I saw a horse, ridden by a jockey wearing my colours with crepe on his left sleeve, come in first in the Melbourne Cup". Craig repeated his story to a party of racing cronies and a bet was made £1000 to 8 drinks that his dream would not come true. Craig died soon after and his horse Nimblefoot, raced by his son-in-law T. Bailey, won the 1870 Cup. The prophecy was published in the Age the day before the event and Nimblefoot became "the dream horse".
77. Ballarat Star 14.4.1875
78. McGeorge *Buried Rivers of Gold* p.20
79. Ballarat Star 14.4.75
80. The Trebilcock family, probably miners of working class origins, were reputedly resident in Mt Egerton and owned property there. This association may have initially been the reason that Bailey took up the management of the Egerton Co. William Bailey had married Emily Trebilcock in 1860. Younger brother Edward had married Ann Trebilcock in 1859 and resided

at the Mt Rowan farm, which I assume had been purchased by William sometime in the 1850s. Mt Rowan was listed as William Bailey's residence in 1863. Edward remained as manager and then probably owner of the Mt. Rowan property. Almost certainly they bred and kept horses on this property, some of which were possibly raced in the early days. I have not been able to establish any details whatsoever about this farm size, exact location etc. but it appears to have been worked by J. Edward Bailey all his life.

81. William and Emily had 6 surviving children. Edward and Ann had 10.
82. Evidence Morgan Griffiths Learmonth V Bailey PROV VPRS 259...
83. McGeorge. *Buried Rivers of Gold*... p.17
84. pp.20-21 MS8549 sometimes spelt Crane
85. *ibid* p.25
86. There were approximately 90 men working there at the time of the takeover and this estimate allows for a small turnover in the workforce over 18 months to 2 years. Report on Mt Egerton residents ostracized in Ballarat Star 25.1.1877.
87. Victorian Law Reports... p.86: PROV Learmonth V Bailey VPRS 259
88. Victorian Law Reports... p.85: The base date for Bailey's estimate of previous earnings from the mine according to Withers refers to the trial in March 1876. See also note 90.
89. The Egerton Co Defunct Mining Co Records PROV VPRS 567 P0 Unit 64 Item 1264
90. Estimates for these calculations as follows: gross earnings prior to company formation £126150 minus maximum operating costs £24000 equals £102150 minus initial payments to the bank overdrafts of Loughlin and Edwards of £15000 equals £77,150 as a net minimum profit. To this can be added the first two declared dividends for the first 12 months of company operations of £78,180 to give a net profit of £155,330 or £38,832 per quarter shareholder. It can be safely assumed that the first 6 months of operations was far more profitable than the second hence these estimates should be seen as minimums.
91. The Egerton Co Defunct Mining Co Records PROV VPRS 567 P0 Unit 64 Item 1264
92. *Ibid*
93. Probate of Martin Loughlin PROV VPRS 28 P0 Unit 733
94. Total income less profits (in this case dividends) roughly equals running costs for 6 months.
95. Seven Hills Estate. Defunct Trading Company PROV VPRS 932 P0 Unit 23 Item 355. A brief biography of E.C. Moore can be found here <http://petergardner.info/publications/ec-moore-1833-1876/>
96. *Ibid*. The share register of a trading company was submitted at 6 monthly intervals. These shares were then (1880) valued at £700 each. By comparison almost all mining company records only had their initial share register – the same as that covered by the Government Gazette and the McAdie Index.
97. Seven Hills Estate. Defunct Mining Companies PROV VPRS 567 P0 Unit 165 Item 2483.
98. McGeorge *Buried Rivers of Gold* p.31 Details of the final sale of land are unclear. Defunct Mining Co records (PROV VPRS 567 P0 Unit 165 Item 2483) indicates income only from the sale of several small parcels of land. If McGeorge is correct the Seven Hills Estate valuation in Bailey's estate of £1 per share was a gross underestimate. As a final dividend shareholders would have received close to £5 per share. In the case of William Bailey's share block £20,000 or more. See Bailey, W. Probate PROV VPRS 28 P0 Unit 1314 and VPRS 28 P2 Unit 789
99. Defunct Mining Company Records for the following mines in the PROV. Lone Hand GMCo (VPRS 567 P0 Unit 90 Item 1612); the Ristori Freehold Co (VPRS 567 P0 Unit 71 Item 1374); the Ristori West GMCo (VPRS 567 P0 Unit 214 Item 2940); the Madame Berry GMCo (VPRS 567 P0 Unit 91 Item 1629) ; the Madame Berry West GMCo (VPRS 567 P0 Unit 91 Item 1629); the Berry Consols GMCo (VPRS 567 P0 Unit135 Item 2155); Loughlin GMCo (VPRS 567 P0 Unit72 Item 1384) Lord Harry GMCo (VPRS 567 P0 Unit102 Item1764); West Loughlin GMCo (VPRS 567 P0 Unit 262 Item 3368).
100. Graham, John. *Early Creswick: the first century*, Creswick Historical Museum Creswick 1987, p.73.
101. Seven Hills Estate. PROV Defunct Trading Cos...
102. Defunct Mining Company Records for the following mines in the PROV. Chalks Estate GMCo (VPRS 567 P0 Unit 287 Item 3576); Majorca United Leads (VPRS 567 P0 Unit 287 Item 3578); Napier Extended (VPRS 567 P0 Unit 287 Item 3582); Chalks Freehold (VPRS 567 P0 Unit 147 Item 2296); Napier Freehold GMCo (VPRS 567 P0 Unit 142 Item 2244); Chalks No.1 (VPRS 567 P0 Unit 254 Item 3556); Kong Meng No.2 (VPRS 567 P0 Unit 375 Item 3796).

103. Joint Stock Bank of Victoria. Defunct Trading Cos PROV. VPRS 932 P0 Unit 37 Item 621. Note Cannon in his *The Land Boomers* (MUP, Melbourne, 1967) has this Bank with the incorrect title of Joint Stock Bank of Ballarat. Cannon also outlines the various extensive dubious operations of Fink.
104. City of Melbourne Bank (in reconstruction). Defunct Trading Cos PROV VPRS 932 P0 Unit 135 Item 2849. Note one of Bailey's sons also has 1000 shares.
105. Cannon, Michael. *The Land Boomers...* p.107.
106. Probate records indicate Bailey's share of this property was between two thirds and three quarters.
107. Obituary William Bailey Argus 26.4.06.
108. McGeorge *Buried Rivers of Gold* p.18 assumed Loughlin was wealthy in 1872 and has him owning hotels and other property at this date. The securities for his overdraft were valued at £5000 and this figure possibly included small hotels with values of £300 - £500.
109. Glengower Station adjoined the Seven Hills Estate to the north and north-west. The original hope was that the rich Seven Hills alluvial leads would continue under the Glengower freehold. There were 30 original shareholders in the Glengower Estate Co. Of the 500 shares 96 were held by MH Baird, presumably the former owner, 36 by Loughlin and 33 by Bailey. The prospecting appears to have been done by the Glengower GCo of which Bailey and Loughlin were major promoters and 18,700 of the 20,000 shares were held in trust by JA Chalk. After failing to find gold this company collapsed and in doing so probably severely reduced the value of the Glengower Estate. Martin Loughlin must then have proceeded to buy out all the other shareholders. McAdie. Index of Shareholders and Mining Companies in Victoria...
110. John Ritchie, 'Corrigan, Tom (Tommy) (1851–1894)', Australian Dictionary of Biography, National Centre of Biography, Australian National University, <http://adb.anu.edu.au/biography/corrigan-tom-tommy-3265/text4945>, published first in hardcopy 1969, accessed online 16 December 2015.
111. Some sources on this such as McCallum's ('Loughlin, Martin (1833–1894)...') entry are ambiguous. Loughlin's horses won both of these events, but in different years, whereas the term 'double' implies winning both events in the same year. It is of interest that Corrigan was not the jockey for either of these wins. It is also not clear where Loughlin's horses were stabled but presumably in the Miners Rest - Dowling Forest district.
112. Obituary William Bailey Argus 26.4.06
113. Scobie, James. *My Life on the Australian Turf*, The Specialty Press, Melbourne, 1929 pp.20-21. Scobie purchased Hautvilliers for Bailey for 430 guineas and after a successful career sold the horse to an Argentine purchaser for 3000 guineas earning himself a £300 commission.
114. *ibid*
115. This is not because Edwards mining investments ceased in this year but rather that the McAdie Index ends in 1886 and we have so far located no other mining investments by him.
116. Accessed 12.12.15 <http://www.ancientfaces.com/person/owen-edward-edwards/142007382>
117. Probate Records. PROV VPRS 28 P03 Unit 961
118. James Williamson Probate. PROV VPRS 28 P3 Unit 504
119. Probate Records Martin Loughlin PROV VPRS 28 P0 Unit 733. The size of the mortgages to A.S. Armitage and W.I. Winter-Irving were £75,000 and £40,000 respectively and the loans were earning 5% interest payable half yearly. It is not clear from the probate papers how much his Seven Hills shares were sold for but they were valued at £4 – a substantial underestimate as they kept paying dividends for another 13 years and the last dividend was probably close to £5 per share. (see note 98)
120. *Ibid*. The bank calls on the estate were as follows City of Melbourne £1803 10s payable every six months, the Commercial £1125.5s and National £251.5s both payable quarterly. Thus the Commercial payments were a bigger drain on the Estate than the City of Melbourne Bank.
121. Rubinstein. *The All-time Australian 200 Rich List...* The fact that Loughlin died in the middle of a severe depression must have had some bearing on this calculation. It is interesting that Rubinstein also includes both Somerville and Andrew Learmonth who make his 'also-rans list' for NSW (No.53 £200,000 p.128) and Victoria (No.43 £210,237 p. 132) respectively. See note 7 for information on the Livingstone-Learmonth surname.
122. Woodhouse painted every Melbourne Cup winner from 1861 to 1891 including both Nimblefoot and Sheet Anchor. The Woodhouse painting that Loughlin possessed was probably of the latter horse. <https://www.daa.org.au/bio/frederick-woodhouse/biography/> accessed 20.1.16

123. McCallum. 'Loughlin, Martin (1833–1894)... Loughlin then for some reason retires from racing and reputedly gave his horses away.
124. Corrigan died on 13.8.1894 and Loughlin on 22.9.1894