

## Notes on the early chapters of Peter Yule's *William Lawrence Baillieu*

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[Yule, Peter. *William Lawrence Baillieu - Founder of Australia's Greatest Business Empire*, Hardie Grant, Melbourne, 2012]

p.10 The story that Baillieu met Edward Latham in 1878 is incorrect. Since Latham had associations with the Queenscliff Church of England from 1865 he would have been familiar with most of the town's inhabitants from this time. It is possible he taught the Baillieu children at Sunday School. It is also quite likely that Latham helped W.L. Baillieu get his first employment at the Queenscliff branch of the Bank of Victoria in 1874.

p.11 The family tradition is wrong. W.L. Baillieu crewed on the Hygea but had been known to Edward Latham for a long time previously. He probably met B.J. Fink about this time – possibly on the Hygea. W.L. Baillieu's formative business years were heavily influenced by both these men.

p.12 a) The Baillieu Hotel (later Ozone) was almost certainly financed and built by Latham with the same architect and builder for both Lathamstowe and the Hotel and the construction of one followed the other. b) the transfer of W.L. Baillieu to Maryborough was probably influenced by B.J. Fink who had been investing in the Maryborough deep leads from about 1878.

p.13 Almost certainly he met B.J. Fink before going to Maryborough.

p.14 The date of Fink's first investment in Maryborough mines was about 1878.

p.15 Notes on Baillieu's association with Priestley. His appointment as personal assistant was possibly engineered by Fink &/or Latham as with "it appeared Edward Latham provided the money (£1500) he need to buy into the partnership" in the formation of the Munro & Baillieu partnership in 1885.

p.23 W.L. Baillieu probably met Theodore Fink much earlier than 1884.

p.26 Yule is correct about 'Ainslie' although the information available to Cannon at the time was strictly limited. Even so the timing of events suggests that there may be some validity in Cannon's suggestion that Baillieu was originally buying 'Ainslie' for Edward Latham.

p.27 a) "Much land...was unsaleable after 1890 and land companies were left holding tracts of virtually worthless land." This is in conflict with later statements by Yule. See p.42. b) "Whilst some historians see only fraud, deception and greed in the collapse of the financial system in the early 1890s, the reality is that the fall in asset values alone was sufficient to destroy many prudently run businesses." This is a general swipe at Cannon et al but as historians we are merely deciding to include what we consider the most important features of the times. The behaviour by large numbers of land boomers was dishonest, deceptive and in many cases fraudulent. My feeling is that on the whole there are many more fraudulent activities of the time that will eventually be uncovered.

p.28 A recent discovery of payments made by W.L. Baillieu to a number of Federal Bank accounts after the secret compositions – up to £2000 – between January 1893 and April 1894 means: 1. Both the accounts of Cannon and Yule are wrong as at least six Munro and Baillieu, Baillieu and Latham accounts at the Federal Bank were not written off. One or more payments to the Federal Bank liquidator Alfred Priestly were made in the following accounts; Munro & Baillieu overdraft, Munro & Baillieu Lease Account, Munro & Baillieu Special Account, Baillieu Overdraft, Latham & Ashton Overdraft, Latham & Baillieu Overdraft.(PROV VPRS 12024 P1 Unit32/33 Item 486) 2. Thus the fraudulence of their secret compositions has been compounded many times over by not declaring all the money owed to the various Federal Bank accounts. In the case of Baillieu this may have been as much as £200,000 3. Where did the money come from to pay into these accounts? Several possibilities exist including a nest egg ie cash in a safe deposit box either not declared or held by another member of the family. This could have been put aside as early as 1888 following the sale of Knowsley, the money Baillieu was going to use to purchase Ainslie or obtained from the Federal Bank (or other company sources) between their compositions and the Federal Bank closure in January 1893. It is unlikely that any such nest egg would be held by the most threatened males ie Latham or W.L. Baillieu and therefore technically not illegal. However the non declaration of these amounts owed to the Federal Bank remains a massive fraud. The continued payments to the Munro and Baillieu accounts after this entity's insolvency are also irregular.

p.29 Yule outlines a conflict of interest in Baillieu's role as a rent collector after his secret composition collecting rent on Bourke St Freehold property of which he was a former large shareholder and director from the Melbourne Cyclorama Co of which he was also a director on behalf of the Federal Bank in liquidation who had taken over the property. Presumably this was in 1893 when the Melbourne Cyclorama Co was still solvent. The use of dummies is mentioned on this page in the context of Bourke St Freehold. "The company's history reveals bad market timing and sloppy management, but there is no evidence of fraud and WL made no attempt to evade the consequences of the company's failure. The biggest losers were the company promoters. WL was among them several times over." There probably was fraud in this company as both Benjamin Fink and W.L. Baillieu became the largest shareholders before it went into liquidation – accumulating shares from other family members [this was basically a Baillieu Fink family company as the only shareholders outside family were business partners Munro and Malpas]. The company was initially liquidated by Salis Fischer - a member of the Baillieu clique - and the debt on its calls was used to manage/manipulate Baillieu's secret composition. It is common throughout this work for Yule to claim that the promoters of the companies were the big time losers but this is mainly looking at the 'funny money' - paper losses and money provided by eager banks - whereas the real losers were the small time shareholders, clerks, gardeners, storemen, Doctors, Ministers of Religion who were forced to pay share calls (although this did not apply in the case of the Bourke Street Freehold).

p.30 An account of the formation of the Chatsworth Estate Co. With the property being purchased by a syndicate and on sold to another syndicate before the company was formed to purchase the property from the second syndicate. This was a typical 'land booming' exercise.

p.31 Yule noted that in May 1892 "WL was appointed liquidator [of the Chatsworth estate Co] for a fee of £500 – poor compensation for a disastrous investment as Munro & Baillieu still owed for calls on its shares." The Baillieu Allard papers gives details for the Chatsworth Estate and it was noted by liquidator Baillieu that the partnership of Munro and Baillieu held 1702 Chatsworth Estate shares with a liability of over £3000 and that the partnership was "insolvent". (BAP Box 52) Thus the actual remuneration was £3500. To this generous sum all the perks of a liquidator – office rent, clerical assistance, advertising and printing costs, solicitor's fees and the occasional commission - can be added. There is also no information on what period the £500 fee was for.

p.32 One wonders who Yule is referring to when denying that the Chatsworth Co was rigged to fleece the public when he stated "... it is illogical that the company was set up to defraud the public" - perhaps *Table Talk*. More likely companies such as Chatsworth were set up to fleece a gullible public legally. Yule also makes the claim again that the main investors and promoters were the big losers in this company. "Those members of the public who decided to buy shares in the Chatsworth Estate Co in August 1888 lost their money, but the promoters of the company, who owned 80 per cent of the shares were their companions on the road to insolvency." Again it was the small and medium shareholders who were forced to pay calls. This page also has an interesting list of trading profits and losses of Munro & Baillieu.

p.33 Yule noted that "Munro & Baillieu was hopelessly insolvent" and that their assets were "...all froth and bubble" but avoids the question of fraud.

p.34 "The land boom has commonly been presented as a conspiracy by a small group of speculators to defraud the public, and the popular success of Michael Cannon's *Land Boomers* has meant that this has become a general public perception." Yule's claim is bordering on the absurd. I know of no history that claims the land boom a conspiracy according to any reasonable definition. In many ways Michael Cannon – Yule's main target - dealt quite gently with W.L. Baillieu. He wrote "Yet neither Donald Munro or W.L. Baillieu were as responsible at a high political level for the disaster as, say, Thomas Bent or Sir Matthew Davies. Neither of them displayed the pietistical righteousness of James Munro. And when they made their secret compositions, the amounts involved were, on the scale of those times, relatively small." Perhaps the 'Cannon land boom conspiracy' thesis occupies an obscure corner in the historiography of Melbourne University's history department? Cannon in a New Introduction to *Life in the Cities* (Curry O'Neill, Melbourne, 1983) p.2 noted "According to one reviewer (of *Rise and Fall of Marvellous Melbourne*) J.W. McCarthy, in *Historical Studies*, Davison has 'rejected Cannon's conspiracy view of the land boom' ... Thus the evidence of collusion and fraud among leading land boomers and politicians, which I thought had been established for all time from Victorian Crown Law Department records, has apparently not yet been accepted by some. Such are the perils of working in a bourgeois milieu."

p.35 a) Yule notes “It appears likely that WL retained his shares in Carlton & West End Brewery through the crash because in January 1894 he paid a call on 2710 shares.” Does this mean the shares were purchased before his secret composition (July 1892) and thus held illegally or before the bank crashes (starting March 1893)? b) Yule here repeats his claim that the Herald & Sportsman Co sold its shares to City Newspapers when in fact the company assets were sold whilst the shares were retained and the company held as its only asset a tight contract of sale. I have elaborated on this in some detail in an essay ‘Moguls and the Media’.

p.36 Yule notes that there was £14,663 outstanding on payments to the old Herald shareholders or £1466 for the payment for each 3 shares. My calculation for the latter figure is £1989. The valuation of £200 for Baillieu’s City Newspapers Shares in his secret composition was far too generous as this company was by July 1892 basically insolvent. On the various Duke mines Yule noted “There are no records to show what happened to these shares following his secret composition, although it is clear he maintained or rebuilt a strong interest in the Duke mines.”

p.37 Yule notes the use of dummy shareholders by Baillieu and others in the Broken Hill & Argenton Smelting Co.

p.38 a) “Some land boomers successfully avoided paying their debts by hiding assets in various ways. Benjamin Fink, for example lived in luxury in London after offering his creditors a farthing in the pound on debts totalling over £1.5 million”. In fact B.J. Fink was a close associate of Baillieu’s throughout the 1880s and early 1890s and only slightly less influential on Baillieu than Edward Latham. Many of the Munro & Baillieu properties were mortgaged to B.J. Fink. Fink remained involved in the Maryborough deep lead gold mines after his secret composition in which he actually paid one halfpenny in the pound on about £300,000. b) “Land boom historians such as Cannon and Gardner have pointed to Ainslie, the Herald Shares and a company called the Melbourne Joint Stock Bank as examples of WL as examples of WL hiding assets from his creditors during the crash.” Yule is correct about ‘Ainslie’ but Cannon is the only one to use this. I originally followed Cannon on both ‘Ainslie’ and the Melbourne Joint Stock Bank though I dropped the former on learning of Yule’s work (in 2008) and have qualified the latter in my essay on W.L. Baillieu’s Recovery. On the Herald I remain firm as per my comment p.36.

p.39 a) Acknowledgement by Yule that Munro & Baillieu accounts were unreliable. b) Thomas Rennell was an accountant employed by Salis Fischer until the latter’s death in 1896. Both these individuals were firmly in the Baillieu camp. c) where did the shares go? Most probably they were held by other members of the family or Malpas & Co. One possible example of this is the Melbourne Cyclorama Co where the share listing for January 1894 has only J.L. Baillieu with 400 shares. W.L. Baillieu - a director of this company - had none.

p.40 a) About the Australian City & Suburban Investment & Banking Co and an account of the Supreme Court case of McMahon versus Bent. Yule notes the latter as the “notoriously corrupt politician and land boomer Tommy Bent.” By comparison Meudell saw “a good deal of Tom Bent, and I never heard him suggest any sharp practice or propose anything

dishonest.” I agree with Yule about both Bent and B.J. Fink but point out how selective he is with his disapproval. Yule continued “...but WL successfully challenged the legitimacy of the transfer and the shares were returned to Bent.” This is an exaggeration of Baillieu’s role as liquidator. The normal process for collecting calls on part paid shares was for a letter threatening legal action if the calls were not paid to be sent to all liable shareholders. A letter of this sort was almost certainly sent to McMahan. McMahan then petitioned the Supreme Court and Bent lost the case. In Bent’s own affidavit he claimed the Mercantile Trustees & Finance Co as the real owner of the shares and the liquidators of this company may have covered the legal costs of the case. It is most unlikely that Bent - a close associate of B.J. Fink and J.M. Howden - paid anything. b) Yule also examines the use of dummies in the Camberwell Estate Co on this page.

p.41 a) The argument about whether Baillieu was liable for the 15000 shares he disposed of in the Camberwell Estate Co in January 1892 is here. Yule notes “The argument appears to rely on Section 72 of the Insolvency Act 1890 which refers to a two year time period for non bona fide transfers. However this section relates to the administration of insolvent estates rather than compositions by arrangement; the act makes clear that the compositions by arrangement were not a form of insolvency.” My account is based on my reading of the secret composition papers rather than the Act in which the designated place in the forms entitled variously as “Debtors Statement List D Property held & 2 years prior to petition” and “List D Particulars of Debtor’s Real Property at and two years prior to petition” which was often filled out in the compositions I have studied. It is possible that some ‘compotes’ listed shares here but I may have mistakenly interpreted “property” to cover securities as well. This is a trifle pedantic on Yule’s part. The Act may not have considered the secret compositions insolvencies but that is precisely what they were. Even W.L. Baillieu used the term when for instance he was excising Munro & Baillieu from payment of calls due to the Chatsworth Estate Co listing them as “insolvent”. Again the intent here was to use dummies to avoid the bulk of the calls by the Camberwell Estate Co. As noted above Thomas Rennell was a sympathetic liquidator in the Baillieu camp. b) on the move of the Baillieu family to Camberwell Yule noted “The first to buy land and build houses there were WL’s parents and his brother Lambert. WL paid a large percentage of the cost of both houses from his personal account; between September 1891 and April 1892 he paid the builder a total of £3550 from his dwindling reserves of cash. In effect this was a transfer of assets from WL to other members of the family, albeit a small scale.” This may be small scale for some perhaps with this figure representing more than 25 years of a working man’s income. As the various bank overdrafts indicate this money was probably borrowed.

p.42 a) The 1890 Insolvency Act was passed by the very men who needed it and was similar in its intent as the later Liquidation Act. “Further, the result of the secret composition for secured creditors was usually far better than the actual amount of the composition, as they still had income to the loan’s original security.” The process with the secret compositions was that any securities were valued and this amount was then deducted from the total amount owed and the composition was paid on the net amount. Thus even the secured creditors lost and as Yule pointed out previously securities including most real estate was virtually

worthless for many years. [p.27] b) Yule argues that the deflationary situation was better for creditors as the value of the pound greatly increased in real terms owing to the fall in prices. But many ordinary people including small shareholders subject to company calls, those whose savings were lost or tied up in the bank and building society crashes and others still who lost their jobs in the depression suffered – they were legion whilst those Yule champions were the privileged few.

p.43 In Latham's Secret Composition the money owed to D. Syme and S. Gillot was for his part in a syndicate purchase of the Scotts Hotel. The current value of the real estate – much less than the original purchase price – was deducted from Latham's original share and the composition paid out on the difference. The inclusion of items such as this in the composition seems irregular as normally such procedures would normally just involve the forfeiture of the security.

p.44 a) "The composition documents list Munro & Baillieu's real estate holdings 'at and two years before the date of purchase.'" Compare this to the question of share transfers and the Camberwell Estate Co p.41. If Yule's argument there is correct was this a loophole? b) claims that Munro & Baillieu had no debt or overdraft with the Federal Bank. See also p.28

p.45 Yule notes "An apparently glaring omission from the list of creditors was the Federal Bank..." and "These overdrafts were written off by the Federal Bank before the various compositions or insolvencies of the borrower." This is incorrect. For details see p.28. Yule follows Cannon here when he said "The question naturally arises as to how debtors could file insolvency schedules without revealing their indebtedness to the Federal Bank. The answer was that the Federal Bank arranged not to pursue them for the huge amounts involved, preferring to write them off rather than risk disclosures."(p.129) Yule borrows from Cannon when it suits him. In this instance both Yule and Cannon are incorrect as the Supreme Court records in the PROV show that payments on six Munro Baillieu Latham accounts were made during 1893 and up to April 1894 when the Baillieu sympathetic liquidator Priestly was removed. Aside from the irregularity of a defunct entity – Munro & Baillieu – making payments this compounds the fraud of the secret compositions of Munro & Baillieu and Baillieu many times over. The question also is posed as to where such large sums could be found so soon after the Latham, Munro, Baillieu insolvencies and in the middle of the banking crisis when credit was unobtainable.

p.46 a) Yule notes that the Munro and Baillieu Overdraft was secured by properties and shares at a cost price of £100,689. Yule is having it both ways again. Elsewhere (p.27) he states that real estate was unsaleable at any price. Also many shares held as securities became liabilities if calls were due on them. This also takes no account of real estate purchased at exorbitant prices at the top of the boom. b) "Details of the securities given by WL for his overdraft have not been found but many properties he bought in the 1880s were in the hands of the bank's liquidators by 1893. As the bank ultimately repaid its creditors 9s 6d in the pound... the decision to write off the overdrafts was perhaps not as venal as some historians have suggested." This is not necessarily so. Where have the properties come from? More detail is required. This account also conflicts with the recent information in the Supreme Court

records recently unearthed above. The 9s 6d paid to creditors – mostly depositors – meant that they lost more than half their savings and had to be content receiving payments for the remainder in piecemeal fashion over time. c) “The arithmetic of many secret compositions was undoubtedly ‘dodgy’...” is a reference to my VHJ article. Yule excuses this by claiming that “this was scarcely relevant as the valuations on which the arithmetic was based were impossible to calculate.” This is incorrect. The ‘arithmetic’ of the compositions had nothing to do with valuations. The only relevant amounts were the proven debt and a statement of the liquid assets (ie cash) of the ‘compote’ with which to pay them . These assets should have been fully distributed to the creditors but of the compositions I have studied this was only done so in the first composition of Theodore Fink. The arithmetic of this composition was sound and Fink’s pay-out demonstrates that accuracy in these matters – contrary to Yule’s assertion - was possible. It also indicates that this was another fraudulent activity possibly adopted by many land boomers.

p.49 a) Yule notes that Baillieu “could call on no political favours”. This was not so as Baillieu was still closely associated with Alfred Outtrim in the lower house along with Frank Stuart up to 1894 and Theodore Fink after 1894 along with William McCulloch in the Legislative Council amongst others. b) “...secret composition enabled him to wipe the slate clean with many of his creditors...” It is of note that a number of creditors were either unaware of the secret compositions or did not recognise them and decided to pursue the debt anyway. c) Yule gives an instance of W.L. Baillieu offering £475 to recover some Munro & Baillieu property in Malvern. [June 1895] Was this property listed in Munro & Baillieu assets? This is another example of property in ‘limbo land’ after the secret compositions. d) his purchase of his partner’s share of the business was probably illegal.

p.55 a) Some property was held in his wife’s name. b) Yule uses the term “insolvency” for Munro & Baillieu. c) “While an income of this level (£633) was sufficient for a single family to live comfortably...” This can be compared with an ordinary workingman’s wage of about £120 pa. It can also be assumed that Baillieu drew a wage of some sort from the business which would be additional to the profit. d) Baillieu “..had taken on the financial responsibility for his parents, parents-in-law, brothers, several of his sisters, as well as an Aunt and a cousin.” At least 3 of the brothers would be earning a wage from W.L. Baillieu & Co or a related enterprise. Edward Latham drew a salary of £150 pa as the manager of Edward Latham & Son.

p.57 The process of sub-letting was eventually refined to include closely related companies and individuals along with ancillary staff and other complementary professional occupants.

p.61 Account of diversifying away from the real estate market to share trading in 1888. Was this part of a defence strategy against a real estate market collapse?

p.64 “During the late 1880s WL speculated disastrously in shares, losing heavily on almost all his investments...” This is a general statement that does not indicate that probably most of this speculation was in Baillieu’s own companies.

p.65 The purchase of the Ice Works in Richmond was possibly related to the brewery business.

p.66 The Herald again. See my article in the Bibliography

p.67 The Baillieu/Fink group took over Herald in the spring of 1893 not 1894.

p.71 The “original Duke” and the “Grand Duke” were the same mine being recapitalised under a new name.

p.72 The Duke United was formed by a merger of the Duke of York and the Royal Duke.

p.73 An account of some of the dubious activities in the takeover of the Duke United.

pp.74-5 An account of the Jubilee Mine purchased by W.L. Baillieu in 1899 for £12000. He then formed a company of 32,000 £1 shares and kept half of the shares himself. He proceeded to sell the other 16,000 shares to friends and acquaintances. Initially parcels of 900 shares were discounted and sold at £500 to close friends. It is quite possible that Baillieu ended up owning half of this very profitable gold mine without any net capital input whatsoever.

pp.76-7 Account of the Mt Lyell boom in 1896 in which Baillieu was a promoter, director, share seller on commission and a short seller of shares (ie ‘the wicked bear’). Yule implies dishonesty in the case of the Lyell Dundas Silver Mining Co whose “.. prospectus valued the property at £30,000, but all the shareholders had to show for their investment three years later was a small hole in the wilderness many miles from Mount Lyell.”

pp.77-8 According to Yule Baillieu masterminded the formation of the Outtrim, Howitt & British Coal Mining Co (OHB) for which he received a generous sum. Baillieu probably became involved in the coal industry through his close association with the McCulloch family.

p.78 Examples of corruption a) over the Duke United and b) obtaining alterations to the mining laws so that an OHB share registry could be established in London. Yule also notes the use of the Herald to promote sister companies like OHB.

p.79 Yule uses the argument that Baillieu worked hard to improve industrial relations on the South Gippsland coal fields. His first speech to the Legislative Council which was on the Coal Mines Regulation legislation (in which he had a vested interest) used the language of appeasement – but Baillieu wanted a deal along “fair lines for the mine owners...” The arguments over payments and the 8 hour day were largely irrelevant to the industry as the miners were contractors and paid by the amount of coal they produced.

pp.79-80 The crux of the question for the miners was where the coal was weighed – either before the screens (when the miners would be paid for all the coal produced including fine) and after the screens when the miners would only be paid for lumpy coal. The latter of course was the company position and where the coal was weighed for most of the history of the mines in South Gippsland except for the period 1900-2.

p.80 The Coal Mines Regulation Bill was defeated. “In its lifetime the Outtrim mine paid dividends of £41,129, a poor return on shareholder investment of £75,000.” This latter figure is the nominal paid up capital only. OHB secretary G. Nicholson told the 1906 Royal Commission into the Coal Mining Industry that the actual cash paid up was £21,995. Note also that I list the dividends paid to 1906 as £37,391. (*A Gippsland Union* p.118)

p.81. Yule notes the Baillieu brothers “...continued to act as one: their capital and income was treated as family property.” Perhaps this is a clue as to where some of the property, shares and cash was held during the secret compositions?

p.84 Note that W.H. Roche & Co from which the furniture was purchased was a B.J. Fink company.

p.89 a)“Later news that the Duke United had ‘struck it rich’ turned WL from a seller to a buyer and he was able to acquire 20,000 shares at a low price before the reports were widely circulated in London.” This appears most unlikely. Where did these shares come from? More likely these shares were taken to London by Baillieu and he was unable to sell them. b) the 20,000 Duke Uniteds mentioned in the ‘Prince’ quote were purchased in Melbourne.

P376 End Note 19 According to my notes the PROV record for this company is VPRS 932 P0 Unit 89 Item 2178. However company records are often missing or misplaced. The records for the Chatsworth Estate Co in the Baillieu Allard papers are voluminous

p.377 End Note 10 states “..the responsibility for maintaining the share register (of the Herald) lay with City Newspapers.” This is incorrect. The business had been sold - not the shares. The register was maintained by Herald secretary W. McKiernin. End Note 20 states “Gardner...argues that the Stock and Share Pty Ltd ‘possibly held the 3 Herald & Sportsman [and] share holdings in the Jubilee mine, Scarsdale.’ In fact the Herald shares had been sold and WL did not buy shares in the Jubilee Mine until 1899.” Both these assertions by Yule are incorrect. I have clearly documented elsewhere that the Herald shares were not sold. With regards the Jubilee mine Yule has confused me with J.R. Poynton. In his ADB entry for Baillieu he incorrectly claimed that the mine had been bought in 1889. On no occasion have I referred to the Jubilee Mine as being part of Baillieu’s secret composition in 1892 and I have been aware of the purchase of this mine in 1899 after working on the Baillieu Allard papers in 2008.

p.378 End Note 35. This is obviously a mistake by Cannon which can be excused by the lack of information he had about the machinations involving the Herald, much of which has only come to light recently This in no way supports Yule’s argument that the Herald shares were sold.

## Comments

1. W.L. Baillieu treated his own companies like small banks and used promissory notes drawn on them frequently. Some of these borrowings have been revealed but certainly

- not all as the liquidation records of most of these companies have been destroyed. As well these companies offered certain positions including auditors and directors, commissions on sale of lands and possibly other financial opportunities.
2. The decision not to proceed to purchase 'Ainslie' may have been the start of a strategy to retreat from their overextended property positions on the part of Baillieu and Latham and possibly the Finks. The sale of 'Knowsley' almost at the height of the boom remains a mystery and the bulk of the sale proceeds were probably used to draw down Latham's debt. Where did the money go?
  3. A similar question can be asked of the payments to the Federal Bank in liquidation. Where did the money come from?
  4. Yule adopts various financial positions – often contradictory – when it suits.
  5. A possible retreat strategy would include a) diversifying away from land b) sale of major assets to (i) draw down debt and/or (ii) put away funds for a worst case as George Meudell did with his £1000 in safe deposit c) start to use dummies in companies d) switch from land syndicates to land companies. e) secret compositions
  6. Why were the Federal Bank Account payments continued? Possibly for several reasons including avoiding adverse publicity. It is possible that some securities were reclaimed after paying off small accounts, for example the Munro & Baillieu Special Account was only £5000. However payments on this account were made in 1893.

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