

Vol. 9  
No. 3  
June,  
1972

# RUNNING JOURNAL

35 cents

Registered at the G.P.O., Melbourne, for transmission by post as a periodical — category "C"



# The Tramway Museum Society of Victoria Ltd.

The Tramway Museum Society of Victoria Ltd. was founded in 1963 as a voluntary non-profit organisation to preserve Victoria's Tramway Heritage.

Running Journal is published bi-monthly and issued free to members. Subscriptions for non-members (\$2.50 p.a.) are obtainable from— "Running Journal Subscriptions", 143 Bambra Road, Caulfield 3162.

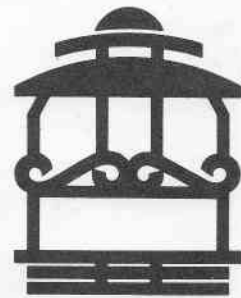
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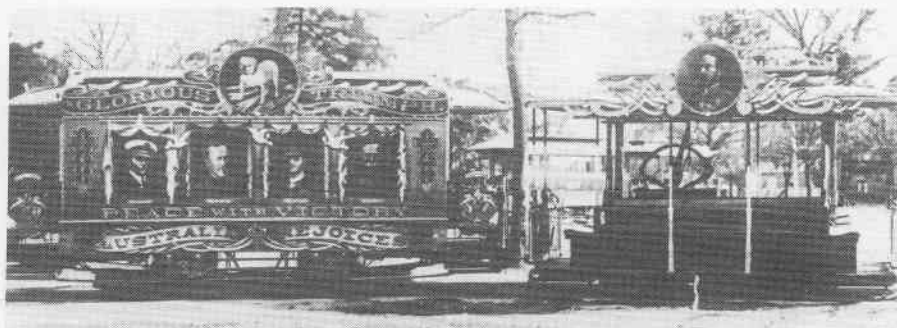
Museum premises: Union Lane, Bylands 3600.



2.



3.



4.

## COVER:

Swanson St. Melbourne in the era of the American system of painless dentistry, cobbled streets, verandah posts and the cable tram. From 1888, the brightly painted cars ran from the city to Prahran and St. Kilda until December 1925 when the line was cut back for conversion to electric traction.

2.

At Victoria St. Bridge, where the Spence St. cable trams met the Kew horse-cars which were also operated by the Melbourne Tramway and Omnibus Company.

3.

In 1926 the Board advertised the sale of 500 bell-punches at 5s. and 10s. a piece. Today these punches in the Brunswick Depot revenue office would each be worth ten times that price to an antique collector.

4.

1918:— the end of the great war, and the passing of the act establishing the M&MTB. Two years prior the company ceased operating the tramway network but was still in existence whilst compensation claims were being negotiated with the Melbourne Tramway Board, a temporary government body which took over the assets of the Trust and of the Company.

# The Melbourne Tramway & Omnibus Company Limited

The technology of the cable tram, and its application in Melbourne streets, by the brilliant engineer George Duncan, has been recorded in several works including the book "Mind the Curve" by John Keating, and articles in the December 1968 and December 1971 issues of this Journal by Alf. Twentyman. The routes, vehicles etc. of the M.T. & O Co. have been well documented, but the history of the institution which established and operated the system for over 30 years is not as well known.

The M.T. & O. Co. was born in the boom era of the Colony of Victoria and soon was caught in the famous depression of the 1890's. This was a period when many Banks, Building Societies and Public Companies were collapsing. However the tramway company remained in business but with drastically reduced revenue and paying decreased wages. It is worthy of note that the M.T. & O. Co. was one of the first companies to recover once the depression ended.

The article published in this issue of "Running Journal" was adapted from an Economic History thesis by Mrs. Heather Sheard, which was submitted to Melbourne University. Professor Geoffrey Blainey (author of "Tyranny of Distance", "Peaks of Lyell") praised it with the words: "A fascinating and reliable account, based on a vast amount of research and a great range of sources".

We hope you find it equally enjoyable and informative.

- The Editors -

At first looked upon as a wonderful novelty, and then as a vital necessity, the cable tramways prospered from the start. The Melbourne Tramway and Omnibus Company Limited under the skilled management of Francis Boardman Clapp, was a prominent performer during the share market boom of the early 1890's and was at times, second only to the silver mines in speculative dealings. Between 1885 and 1891, the Company developed over 40 route miles of double cable tramway track, which still forms the basis of Melbourne's tramway layout today. The Company was to survive the depression of the 1890's, despite the criticism of its sometimes dubious share market dealings and its handling of employees, and its profitability was such that by 1911 the Victorian government was making a valiant attempt at a take-over bid. When the Company was incorporated in the Melbourne Tramway Board in 1916, its last declared profit on traffic receipts was £344,493.4.4. and His Honour, Mr. Justice Cussen, the appointed arbitrator for compensation, congratulated Mr. Clapp on his "...great abilities, his rare judgment and foresight".

Born in 1833, in Holden, Massachusetts, Francis Boardman Clapp arrived in Victoria in 1853, and was not long in seeing the possibilities of the Melbourne to Ballarat line of Cobb and Company coaches. He bought and operated the line and by 1859 was the largest mail contractor in Victoria, but with the decline of gold production and the movement of population towards Melbourne, Clapp became interested in the development of urban transport. In March, 1869, in association with William McCulloch, Andrew Rowan and Henry Hoyt, Clapp formed the Melbourne Omnibus Company, in order to develop a horse omnibus system. But Clapp's intention was always that the omnibuses were merely forerunners to tramways, and on September 11th, 1877 the Melbourne Tramway and Omnibus Company Limited took over the assets of the Melbourne Omnibus Company, the first half-yearly report of the Directors stating that "This Company ...(has) been expressly formed to construct tramways". His hand was forced in 1881, when, having secured the agreement of several municipal councils, Henry Hoyt formed the Victorian Tramway Company. The two companies agreed that both should participate in the powers that were to be given under the first Tramway Bill which was drafted by the companies and introduced into parliament by Duncan Gillies in 1882.

The first bill was rejected because the government feared a Company monopoly of the streets - "...public men began to comprehend the gigantic nature of the monopoly the promoters were aiming at". 1883 saw a change of government and the Bill was referred to a Select Committee of the Legislative Assembly, principally, I think, to determine the full intentions of the companies and a way in which adequate government control may be maintained. Duncan Gillies, that "...astute advocate for the monopoly" was appointed Chairman of the Committee. The first

concern of the Committee was the motive power to be used. Horse tramways were examined in great detail, but several witnesses pointed out that, whilst the usual fare charged in America was  $2\frac{1}{2}d$ . and probably a fair price for the Melbourne working man, the cost of horse feed was only one-third to one-half of that in Melbourne. The price of corn in Chicago was 5d to 30d a bushel and maize in season 5d to 1/- whilst in the Melbourne Argus, February 8th, 1883 shows wheat at  $3\frac{1}{2}d$  per bushel and maize at  $3\frac{7}{8}d$  per bushel. Clapp produced the following figures - that the average daily cost of feeding an omnibus horse was -

11/6d in London

7/0d in San Francisco

8/0d in New York

15/0d in Melbourne

Horses were costly to feed, were none too clean, and at times, unreliable.

Electric motors were still in the experimental stage and most witnesses seemed to object strongly to steam engines, which had a reputation for being dirty, noisy and frightening the horses. A further black mark was the lack of success of Sydney's steam tramway system.

"The endless wire rope...infinitely the best system of the lot and the cheapest worked". Whilst few witnesses disputed this, it was generally agreed that the initial construction was expensive and the government engineers estimated the cost of constructing one mile of double tramway track at £5,687.9.4. A 1911 Royal Commission subsequently found the actual cost per mile to be £38,000. W.C. Kernot in "Engineering Works of Victoria" comments that because of the great prime cost and the massive construction, it cost nearly as much to run two trams as it did to run 20, and therefore cable tramways were to suit only areas with dense traffic. But the eighties were optimistic, the population affluent and there appeared to be no doubt that Melbourne could support a cable tramway system. Concern was also felt by the Committee on the effects of a tramway system on land values; would shopkeepers and landlords welcome the move? On this point the witnesses were unanimous that shopkeepers in other parts of the world, accepted tramways passing their doors eagerly and that whilst initially, a tramway had the effect of deteriorating residence property, in the inner city areas, this soon became business property and brought two to three times its original value. Both the Railways and the cabmen were worried that increased competition would decrease their traffic returns, but such was the spirit of the eighties, that the Committee felt assured that more facilities for traffic create a larger number of passengers. More specifically, railway traffic would improve because the tramways would act as feeders and it was surmised

that in a situation where the tramway and railway termini were in the same place, railway traffic may initially decline but the availability of transport would increase the population in the area and all forms of transport would benefit. The validity of these ideas especially in respect to increased railway traffic is, however, questionable. The tramways, with their ability to pick up and put down passengers anywhere along the route, were at a decided advantage over the fixed railway system. Perhaps the Committee was not wrong in its basic assumptions, merely premature.

The Select Committee Report was returned to the House on August 30th, 1883 and the Tramways Bill was passed on the 12th of October. Melbourne was to have the largest cable tramway system in the world. 12 municipal councils were given the right to exercise their control over the construction and operation of tramways in their district - where they declined the Company had sole rights. But all the municipalities accepted and formed the Tramway Trust, as had been provided under the Act, with seven members from the Melbourne City Council and one from each of Prahran, Richmond, Fitzroy, Collingwood, South Melbourne (Emerald Hill), Hawthorn, St. Kilda, North Melbourne (Hotham Town), Brunswick, Port Melbourne and Kew. The basic requirement of the Trust was to provide the finance for the construction of the tramway lines, which would then be leased by the Company for 30 years. Municipal revenue was the security for the borrowing which consisted of various 'floats' of £100 debentures on the London Stock Exchange, and took the following form:

<u>Amount of Loan</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Buying Price</u>
£500,000	October, 1884	4½%	£97. 6. 6.
500,000	November, 1885	"	101.15. 0.
200,000	1887	"	104.13. 0.
250,000	1888	"	108.12. 1.
50,000	July, 1889	"	108. 8. 8.
130,000	January, 1891	"	106.14. 0.
20,000	1893	"	103.16. 3.

The conditions of the lease agreement were that the Company would provide all the rolling stock, car houses and staff, whilst at the same time undertaking to pay the 4½% annual interest on the Tramway Trust Debentures and establishing a sinking fund for the redemption of those debentures. Any deficit in the sinking fund was to be met by the Company, but any surplus was to be kept by the Company for distribution as it saw fit. The Trust was empowered to invest the sinking fund, not only in the standard type of investments, but also in first mortgages of freehold land in Victoria, but it used this as finance for other municipal ventures by investing in 5% municipal debentures

The roads and tracks were to be kept in good order and handed back to the Trust in June, 1916, when the Company lease expired. The municipal councils, having completed construction, had their tramways run for them, their debts paid for them, used the Company sinking fund to finance their other ventures, and were due to get the whole lot back in 1916 - all of which was a thorn in the side of the Company and Clapp. Amiable relations between the Trust and the Company were maintained with difficulty. The Trust, to its continual regret, had no claim on the profits of the Company other than through the sinking fund, and the Company was loathe to pay for a system they would never possess. The fare for a tram journey was 3d - there were no sectional fares, a policy which was to be much maligned during the depression of the 1890's. Exceptions included trams for "working-men" between 6 a.m. and 7 a.m. and 5.30 p.m. and 6.30 p.m. when the fare was 1½d and a 1D section between the Spencer Street and Swanston Street Railway Stations. Other reductions during the Company's lease were: through fare to Brunswick 2d, 2d sections between Clifton Hill terminus and Johnston St. Collingwood, South Melbourne terminus to Clarendon St. in Flinders St. between Swanston St. and Spencer St. terminus. Transfers were generally available where routes crossed, and on the Northern lines including Port and South Melbourne the through journey could be made if the fare was paid by ticket which the conductors sold at 6 tickets for one shilling. From November 24th, 1902 the fare on all lines north of the Yarra was 2d.

To put the cost of a tram journey in perspective with other prices, consider the following:

Tram journey from St. Kilda to City Centre	3d.
Argus Newspaper	2d.
1 lb. Bacon	5½d to 9d.
1 lb. Butter	10d to 1/1d
1 lb. Honey	4d. to 6d.
1 Doz. Eggs	10d. to 1/-.

By the 1st June, 1884, the Articles of Association of the Melbourne Tramway and Omnibus Company Limited showed an authorised capital of one million £1 shares of which 400,000 had been issued and paid up to 10/- and carried one vote for every ten shares held. The five directors were to hold not less than 2,500 shares each and were paid as follows:

Francis Boardman Clapp	Managing Director	£2,000 per annum
Jenkin Collier	Director	250 " "
William McCulloch	"	" " "
Alexander W. Robertson	"	" " "
William Cain	"	" " "

A further increase of one million shares was made later in March, 1890. The previous year the Company had bought out its only competitor The Victorian Tramway Company, floated by Henry Hoyt, whose name had been associated with Clapp's since the days of Cobb and Co., and who had assisted in the drafting of the Tramway Bill. His Company existed only on paper, in which he owned two fifths of the shares paid up to  $\frac{1}{2}$ d. It is sufficient to comment that his Company received £96,996.14.8., paid in Melbourne Tramway and Omnibus Company shares, which appeared as "goodwill" in the Melbourne Tramway Balance Sheet.

The cable tramway track was of 4ft. 8 $\frac{1}{2}$ in. gauge, the steepest grade being one in fifteen. Between the rails was a continuous open slot providing access to a tunnel through which a cable rope ran continuously 20 hours a day. Ropes were imported from the following manufacturers:

Bullivant & Co. Ltd.	London
George Craddock & Co.	Wakefield
Whitecross & Co.,	England
T. & W. Smith,	England
Roebling,	America

The standard rope was formed of 6 strands comprising 7 wires, laid around a hemp core, with a circumference of 3 $\frac{3}{4}$  inches. In Collins and Swanston Streets a heavier type was used - 6 strands, each comprising of 8 wires around 7 fine wires all around a hemp core, circumference 4 $\frac{1}{4}$  inches. Some auxiliary ropes comprised 19 strands of crucible steel.

Installed in the front car - the open "dummy", was a grip mechanism which engaged the moving cable to propel the car. At sharp corners on a level or down grade the cable was disengaged and the car was carried around the curve by momentum. On up grades and slight curves the rope was carried.

The first 20 sets of dummy and enclosed trailer car were imported from America, latter cars were built by the Company at Nicholson Street. Cars were colour coded according to the routes on which they ran.

The power for driving the cables came from steam, generated by stationary Marine Type Multi-tubular boilers. In latter years electric motors and a diesel engine were introduced to assist with peak loading.

The annual report for 1876-77, notice of an extraordinary meeting, 3rd July 1882 and the Articles of Association dated 1st June, 1884, are among the few early records of the Company.

The Australasian Insurance and Banking Record supplies the Annual Report of the Directors, from 1885 and often includes passages copied from the newspaper editorials of the day.



Between 1885 and 1892 it is therefore necessary to rely on this Record and the newspapers, but original records are available from 1892 and 1920.

1885 saw the opening of the first cable line or the "Richmond Wire Rope Tramway" as it was called by the Argus of Tuesday, January 13th, 1885. The "Mining Intelligence and Stock and Share Market" column of the Argus shows that throughout the year the Company's shares advanced, both in rising price and volume of sales. Little revenue was of course received from the tramways until 1886, but unfortunately in that year no attempt was made to separate tramway and omnibus revenue. However, the Company paid a 12% dividend, had already put £65,000 into the Tramway Trust debenture interest and sinking fund, wrote off £41,000 to a Reserve Fund and paid £37,000 in share premiums. Its £1 share was selling at 33/- to 33/6 and commenting on the cable lines already opened Clapp said "...they fully bear out the anticipations formed of their traffic...". In the 10 years 1877 to 1887, and with only five cable lines open, the Company's total receipts increased from near £30,000 to £221,000 and between November, 1885 and September 1887 the Company built 99 dummy cars and 116 trailer cars at its Nicholson Street factory. The five lines that were running when the Annual Report was published on September 15th, 1887, supplied transport to Richmond, North Fitzroy, along Victoria Parade through Abbotsford to North Richmond, Clifton Hill, and Nicholson Street serving both North Carlton and Fitzroy. Their immediate success in these areas was an indication of the increasing population of the suburbs. The Argus of January, 1888, had noted that in 1887 there had begun "the drift of new people to the suburbs". There had been previous comment in the Argus of January 16th, 1885, that encouragement had been given to the Fitzroy area by the opening up of an industrial area based on the Tramway workshops. Tramways can only succeed financially in areas where the population is relatively dense and to this end the first five lines were built in the districts with the highest density of population, as indicated by these figures from the Victorian Year Book, 1885-86:

<u>Area</u>	<u>Mean Population</u>	<u>Persons per acre</u>
Melbourne - Inner City	70,873	14.1
Hotham Town (North Melbourne)	19,508	34.5
Fitzroy	27,829	30.2
Collingwood	26,711	23.5
Richmond	28,541	19.9
Brunswick	8,369	4.1
Northcote	2,5000	.9
Prahran	28,637	12.3
South Melbourne	33,500	14.5
Port Melbourne	9,675	4.1
St, Kilda	15,300	8.1
Brighton	5,795	1.8
Essendon	5,550	1.4

<u>Area</u>	<u>Mean Population</u>	<u>Persons per acre</u>
Flemington & Kensington	4,864	1.5
Hawthorn	8,811	3.7
Kew	6,000	1.7
Footscray	9,016	2.9
Williamstown	11,600	4.2
Rest	<u>20,796</u>	<u>.2</u>
Total	343,902	Average 2.1

Subsequently, in the Argus of 4th July, 1891, the Directors of the Company claimed that it was necessary to make 1/- per mile to cover expenses and make a minimum profit. In fact the profits made on the inner area, high population density lines, supported the outer suburban lines whose passenger/mile returns declined the further they extended. I find it very difficult to estimate the importance of tramways in encouraging the population to move to new areas, but one of the basic tenets of Company policy was that a non-sectional fare system, that is a 3d fare to travel 100 yards or to the terminus, would encourage the working-man to shift out into the suburbs where the rents were one-half to two-thirds cheaper than the inner city areas. The tramway system certainly reinforced the developing spatial distribution of population, for if one was to draw a north/south line from the Brunswick cable depot along Sydney Road, through the centre of the city to Hobsons Bay, it would be seen that 90% of the cable lines run east of this. The population density of the west did not warrant the level of expenditure required to overcome the physical difficulties of building cable lines to the west of Sydney Road.

The Company's £1 shares began the year 1888, selling at 53/6 to 54/6 and total receipts for the first half of the financial year 1888-89 exceeded by £60,000 those for the whole year 1887-88. As the land boom got under way, the Company's many freehold properties began to increase in value enormously. The tramways themselves, must have assisted in increasing the number of subdivisions and the land values of the outer areas by improving accessibility. It was in the financial year of 1888-89 that the Company began to give cash bonuses and fresh share issues at par, and Table Talk of August, 1891, looking back on this time commented that "Speculators fancied the stock more and more". The tramways were being extensively used in this period, for the Centennial Exhibition in the newly completed Exhibition Buildings, and many shops along the route or just past the Exhibition advertised in the daily papers, prominently which tram one should catch to reach their establishment. The newspapers did not show a great deal of interest in the Melbourne Tramway and Omnibus Company until 1890. The Company was, it seems, overshadowed until then by the silver mine shares, the land boom and overseas news. Tramway news when published at all, was consistently relegated to pages five or six. By early 1890,

the Company had become "hot news". In the Annual Report published in September 1889, the Directors had declared a total dividend of 12½%, a bonus of 6/- per share and issued three new shares for every five held at par, 10/- to be paid up. Thus they had paid out £180,000 in bonuses alone and increased paid up capital to £400,000. Considering firstly, that if one held 500 Tramway shares, one could obtain a further 300 for a sum of £150 and sell them at the current price of 69/- each, i.e. £1,035 and secondly, that each Director held not less than 2,500 shares, there could hardly fail to be comment from the press. Both the size of the parcels of shares changing hands and the rapidly increasing price, caused attention from the Argus of January 2nd, 1890: "Business in Melbourne Tramway shares has been a leading feature in the market....a good second to the dealings in silver shares. The Company's tramway system is the largest and most prosperous in the world." However, in that same article the Argus levelled criticism, as did also Maurice Brodsky's Table Talk, at the handling of the bonus issues of shares. Both papers maintained that great secrecy surrounded the share issue, and that a great many shareholders could not resist the high prices offered and sold their shares "... to a syndicate possessed by some means of a full knowledge (of the issue about to be made)..". The Argus was content to merely infer collusion of the Directors but Table Talk named all the Directors and large shareholders and mentioned a law suit concerned with share transactions made by Andrew Rowan. The Balance Sheet of June, 1890, was not published until September, as was the custom, by which time the Company's shares had sold at £8 and £9 per share. A further 160,000 shares had been issued at par, two for every ten held, 10/- paid, so that in effect, with issued capital of 960,000 shares, Melbourne's trams were valued at £7,680,000. The Directors estimated that two-thirds of the traffic created by the Exhibition had become permanent traffic and overall traffic numbers were up by over ¼ of a million.

In his book "...the pleasant career of a spendthrift", George Meudell wrote of the enormous numbers of shares which changed hands and he believed that the stock had been very cleverly worked by the Directors - "...it was the most brilliant sequence of attractive coups ever employed on the Stock Exchange of Melbourne". Not so flattering was the scathing comment of Table Talk, August 6th, 1891 which published a long and libellous article just after the release of the 1891 Annual Report. By the latter half of 1891, the whole economy was slackening and the Company's traffic receipts, if not declining, had levelled out. Although total receipts had increased on the previous year, expenses had also increased in greater ratio and the Directors reported that strikes had caused a large increase in fuel prices and depressed trade generally. However, the Company still declared a 20% dividend and apparently viewed its prospects with undiminished confidence. The position was however, this:

1899 -	500,000	shares	issued	-	10/-	paid-profit	available	£197,387
1890 -	800,000	"	"	"	"	"	"	156,936
1891 -	960,000	"	"	"	"	"	"	109,176

and Table Talk was claiming that the Company was making no provision for the possibility of bad times. Maurice Brodsky, as Editor of Table Talk obviously felt that the Company, along with many others at the time, was managed to suit the share market rather than to develop traffic. This criticism is severe in light of the fact that the Company managed to keep all the lines open during the depression and paid a small dividend on its shares. By August 14th, 1891 Table Talk wrote "the directors admitted that a mistake has been made in paying the bonus shares". Whether they actually had in view of their optimism in the Annual Report of the same month, is doubtful.

The Company failed to declare its final quarterly 5% dividend. Panic set in on the share market and Table Talk rose to its greatest heights by urging the shareholders to press for an independent investigation into the Company's finances. Did it really, for example, need a £3,000 per annum Managing Director? By the end of 1891 the closing prices of shares compared with those of 1890, showed a depreciation in value of more than £20 million sterling. The highest single Company loss was the Melbourne Tramway and Omnibus Company - a decline of £3,168,--- - an amount smaller only than the loss of £4,135,830 for seven gold mining companies and £7,658,750 for seven silver mining companies. (Also see Appendix 5 for share prices). Although the Annual Report, with its 15% dividend had been determinedly cheerful, unemployment was rising, and of those who had jobs many could no longer afford to ride to work. In the Annual Report of 1893 Clapp wrote that the tramways, railways and all business was suffering from "...the utter inability of the mass of the population to continue their former scale of personal expenditure" and traffic receipts for the year showed a fall of £103,985. Much of the tramway expenditure was fixed and one of the few avenues of cutting costs was salaries and wages. Early in 1893, the Company proposed a further reduction of wages, which had already been reduced, higher grades by 48%, middle grades by 30% and lower grades by 20%. The pre-depression wages for a 60 hour week of a 1st class grip-man was 52/-, 1st class conductor 50/-, and other classes three-quarters of this. On a deputation to the Directors a committee for the workers asserted that those on minimum wage rates were living at the lowest level of subsistence and none of the men could possibly accept another reduction. Clapp, whilst sympathetic to their plight, pointed out that those who had shared in the prosperity of the Company should also share in its losses,

and he felt that though it "appeared" the men could not live on these wages, they did not know what they could do till they tried. There followed for several months many protest meetings, deputations to the Directors, assurances and re-assurances, all of which was reported in a series of articles in the Argus. The Directors hinted constantly that there were many young men who were unemployed, had families to support and would work for lower wages. Finally the men went out on strike and Clapp promptly sacked them all. The men had evidently felt that since their jobs involved a certain degree of acquired skill, especially the drivers, they could strike effectively, however they found it necessary to ask for their jobs back and Clapp reinstated them at a reduced rate of pay - 1st class grip-men 40/-, 1st class conductors 38/- and all others three-quarters of this. Approximately 600 men were laid off between 1891 and 1895 and their wages did not increase again until August 1898 and even by 1906 wages were still at their 1885 level.

At the same time many letters appeared and many articles were written in the daily press, demanding a reduction of fares. Even the Argus had reduced its price from 3d. to 2d. but the Company stood firm on both reduced and sectional fares. A line on which there was an exception to the 3d. through-fare, the Richmond line penny section, did not pay its way. Sydney's tramways, which had sectional fares was often quoted as having never paid more than a 2½% dividend. When the Directors did decide to try a reduced fare on certain lines, Melbourne Punch of September 7th, 1893, quoted their statement "We welcome the reduction but doubt the result. The weight of debt people are carrying causes even the once despised copper to be of some importance". Apparently the scheme was only half-hearted for their policy drew a cartoon comment late in November:-

The lightning-Change Tramway  
Company Director to  
Conductor:-

"HERE 'S A BRUNSWICK CAB  
COMING, PUT UP THE 2d  
BOARD. AS SOON AS IT  
PASSES CHARGE THE  
PASSENGERS 3d AGAIN".



July 1893, saw the Companies shares reach their lowest point - 8/6d, and traffic receipts continued to spiral downward until a slight increase in 1896. Despite this fact, all the lines of the Company remained open, running much under capacity, and from 1896 on there was a steady improvement until by 1901 traffic receipts reached their pre-depression level. To some extent this is not only a result of the severity of the depression but also of the exceptional affluence of the late eighties and the early nineties in Melbourne. For the years 1893 to 1898 the Company had still managed to pay a 5% dividend. During the years 1901 to 1910, the increase in both total population and population density of the suburbs had the tramway system working at full power and by 1910 the Company could pay a 20% dividend and gave each employee a bonus of 5% of his total earnings. It was also clear that by 1914 the Company would have completed all payments on the Tramway Trust debenture interest and sinking fund and that for the years 1915 to 1916 huge profits were going to belong to the Company. This was an important reason for the Royal Commission of 1911 on the Railway and Tramway System of Melbourne and suburbs as well as the Royal Commission on Tramway Fares Revision, the same year to recommend that the Company be taken over immediately by the government. The Royal Commission on Tramway Fares Revision was supposedly an investigation into the tramway fare structure but the Commission spent a great deal of its time inquiring into whether the Tramway Trust could acquire the Company before the lease ran out in 1916, thereby attaining the profits that were to be made in 1915-16. It found as the Company claimed, that there was a contract between the Company and the Tramway Trust and that the municipalities through the Trust, had a tramway system which they were guaranteed against paying anything for. A further Royal Commission in the same year into the Railway and Tramway System of Melbourne and suburbs found in favour of bringing all the tramway systems that were being run in Melbourne under the one authority, and this was commenced in 1916 with the formation of the "Melbourne Tramway Board".

1910 to 1916, the twilight years of the Company, were nevertheless its busiest and most prosperous. Between 1898 and 1918 cable tram patronage climbed steadily from 37 to 113 million per annum, and the hard pressed Tramways Union, militant since the defeat of 1893 secured a reduction of the working week for employees to 48 hours.

The following is the amazing financial story of the Company for its last 6 years:-

<u>Year</u>	<u>Issued Capital</u>	<u>Paid-up Capital</u>	<u>Dividend</u>	<u>Bonus per share</u>	<u>Repayment Principal</u>
1911	960,000	£480,000	20%	-	-
1912	"	"	30%	1/-	-
1913	"	"	40%	1/-	-
1914	"	"	40%	3/-	10/-
1915	"	"	40%	3/-	-

At this point, the Company realised its investments and paid a further 11/- per share, having twelve months earlier paid in full the £1,650,000 debenture loan for the Tramway Trust. In its final active year, 1916, the following is a summary of the revenue distribution:-

Traffic Receipts year ended 30th June, 1916 -	£811,774.17.10
Profits for the year	344,493, 4. 4
Paid in dividends and bonuses	312,000. 0. 0 *
	<u>32,493, 4. 4</u>
Profit brought forward from previous year	<u>17,949.15.10</u>
Carried to Special Reserve Account	<u>£ 50,443. 0. 2</u>

\*Approximately 7/- per share.

On the 30th June, 1919, having been awarded compensation by a government appointed arbitrator for its rolling stock, and car depots, the Company was wound up under the direction of the Chairman, W.G. Sprigg.

The system, under the control of the Melbourne Tramways Board, and later the Melbourne and Metropolitan Tramways Board lasted until 1940, but the end of the era was in sight in 1911, when a Royal Commission made its recommendation that an electrified tramway system be introduced. The men of the Company had laid down the routes of Melbourne's future tramway system but the costly cable made could not keep pace with the pressure of population on public transport.

By 9.30 a.m. on the 26th October, 1940, the last set, comprising Car 579 and dummy 588 had run into Clifton Hill shed.

The survivors are few: The No. 1 tram which had been withdrawn about 6 months before the final closure is in the possession of the State Library, but not on public display. Mr. Alf Twentyman, a member of the Tramway Museum Society, bought trailer car number 290 for £20 in 1930, a dummy car in 1935 for 30/- and trailer 586 for £20 in 1940. Recently the Society obtained a bogie car, 35, and for some years it has stored a section of cable pointwork for reconstruction at the Museum. Only one grip mechanism, the heart of the cable technology, remains.

These few relics must represent a major chapter in Victoria's transport history - The story of the M.T. & O. Co.

Appendix A  
Melbourne Tramway and Omnibus Company Limited - cable tramway routes

<u>Service</u>	<u>Route</u>	<u>Opened</u>	<u>Closed</u>	<u>Mileage</u>	<u>Colours</u>	<u>Years Service</u>
*2 Richmond-Spencer St.	Via Flinders St.	11.11.1885	29.6.27	3½	Blue	42
N. Fitzroy-Spencer St.	Via Collins St.	2.10.1886	12.3.70	3½	Yellow	44
Victoria Bdge, Spencer St.	" "	22.11.1886	13.7.29	3½	Red	43
Clifton Hill-Spencer St.	Via Bourke St.	10.8.1887	26.10.40	3¾	Red	53
Nicholson St-Spencer St.	" "	22.8.1887	26.10.40	3¼	Blue	53
Brunswick-Flinders St.	Via Elizabeth St.	1.10.1887	10.1.36	4½	Red	49
Johnston St.	Via Swanston St.	21.12.1887	16.4.39	3¼	Red	52
Brighton Rd-Queensberry St.	" "	11.10.1888	26.12.25	5	White	38
Prahran	" "	26.10.1888	28.8.26	5	Red	39
North Carlton	" "	9.2.1889	1.8.36	2¾	Green	48
Toorak	" "	15.2.1889	1.10.26	5	Yellow	38
North Melbourne	Via Elizabeth St.	3.3.1890	20.7.35	3	Green	45
West Melbourne	Via " "	18.4.1890	20.7.35	2¼	Chocolate	45
South Melbourne	Via Collins St.	17.6.1890	13.3.37	2¾	Green	47
Port Melbourne	Via " "	20.6.1890	13.3.37	2½	White	47
St. Kilda Bch-Windsor St.	Via St. Kilda Junc.	27.10.1891	29.8.25	2	Yellow	34
St. Kilda Beach	Via Swanston St.	18.12.1897	29.8.25	4½	Green	28
*3 Northcote-Preston	Via Bourke St. Nicholson St.	30.8.1887	26.10.40	2¼	Red	51

\*1 Three horse tramway lines were opened by the Company: 1. To the Kew Cemetery, 2. From the Richmond cable terminus to Riversdale Road, 3. To the Zoological Gardens.

\*2 The first cable tram run was to Richmond on October 27th, 1885.

\*3 The last cable tram run was driven by Ron Houghton, on table run No. 92, dummy car No. 588, trailer car number 579 which ran into the Northcote Depot at 9.30 p.m. on the 26th October, 1900.



Appendix B

<u>Date</u>	<u>Share price at par</u>	<u>Selling Price</u>
1889 April	£1	57/- to 57/6
June	"	58/6 to 59/-
July	"	61/6 to 62/6
August	"	76/- to 77/7
October	"	69/- to 69/6
November	"	94/- to 95/-
December	"	128/- to 130/-
1890 January	"	135/- to 136/-
February	"	132/- to 133/-
March	"	131/6 to 132/6
April	"	£7. 2. 6.
May	"	£8.16. 0.
June	"	£8.10. 0.
July	"	£7.16. 0.
August	"	71/- to 72/-
September	"	£5.11. 0.
October	"	£5.13. 0.
November	"	57/- to 57/6
December	"	95/- to 95/6
1893 January	"	16/3 to 16/9
February	"	13/6 to 13/9
March	"	13/3 to 13/6
April	"	11/9 to 12½/-
May	"	9/- to 8/3
June	"	" " "
July	"	8/6 to 8/9
August	"	9/3 to 9/6
September	"	10/- to 10/3
October	"	" " "
November	"	9/9 to 10/-
December	"	8/6 to 8/9

Source: Australasian Insurance & Banking Record Volumes 13 - 1889  
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 17 - 1893

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3. Newspapers and Magazines

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5. Unpublished reports and manuscripts

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 ment of railed transport, the growth of population and their  
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6. Parliamentary Papers and Publications

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 the Melbourne Tramway Bill.  
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*MUSEUM NEWS...*

Coming Events

- Monday 7th August: Social meeting, Malvern Town Hall, 8 p.m.  
 Thursday 17th August: Film Evening "Fiddler on the Roof", 7.50 p.m.  
 Monday 2nd October: Social meeting, Malvern Town Hall, 8 p.m.  
 Friday 20th October: Theatre evening "No No Nanette", 8.15 p.m.  
 Monday 4th December: Social meeting, Malvern Town Hall, 8 p.m.  
 Tuesday 26th December: Golden Sunset Tour.

Theatre Evenings: The Society has reserved blocks of tickets for "Fiddler on the Roof" at Cinema Two on August 17th and for "No No Nanette" at Her Majesty's on October 20th (N.B. OCTOBER not September as previously advised). The costs are \$2.20 (saving of 30 cents) and \$4.50 (saving of 70 cents) respectively. Mike Cornwall is the person to contact for tickets. Send your money and a S.A.E. to him at Flat 2, 21 Lewisham Road, Windsor, 3181.

Exhibitions: Society Display boards have been at a dozen local fetes and displays in recent months. Sales Dept. and operating layouts have also been presented at fairs from St. Kilda to Shepparton. At one event, the Hobby Expo in Toorak on 7th and 8th July, half inch to the foot models were operated for the first time since the Society's own exhibition in March. Much of the work in organising and staffing these events has fallen on the shoulders of Derick Racine, David Menzies, Ron Scholton, Len Millar and Tony Cooke, but others have also assisted. If your local church/school/club/ etc. is conducting an event at which the Society could be present, please contact Tony Cooke (25 2996 A.H.).

Works Report:

Depot. Following the grading of the depot area on Saturday May 6, our civil engineers have pegged out the ground plan for the first stage of our depot. However, further work has been delayed, awaiting written notification from the C.M.F. of their decision regarding major assistance for our Society's Work Programme.

General Museum Works: A further building has been erected north of our existing stores building. This is a 14' x 14' Gangers shed that was previously located at Kilmore. It is being used to house Sheffield trolley WS12 and will also be used as a toolshed.

The building has been situated over the existing siding so as to provide direct rail access. The completion of this structure has allowed a major tidy up of the whole of this works/stores area.

Truck No. 3: The over-head tower obtained from the Tramway's Board has fitted onto the Chevrolet truck chassis by Doug Prossor. It is now once more an operable tower-wagon which will prove very useful in the near future.

Fencing: A general programme of fence replacement and repair has been commenced beginning with the Southern boundary fence. A new fence of "ring-lock mesh" has been erected along this boundary and an additional gate has been donated but not as yet erected. The boundary fence that was replaced was erected during the first month of work parties at the Museum and was constructed out of bits and pieces of chain-mesh and consequently looked rather unsightly but, nevertheless, it served its purpose.

Ballarat Workshop Equipment: The final item from the S.E. tramway Workshop arrived at the Museum in early June. The wheel press, which was partially dismantled by our members previously, had to be removed by a private contractor, due to it being set solidly in concrete. Pavement breakers and a crane were eventually needed for its removal before being trucked to Bylands by Mayne Nickless.

Tramcars:

180. Sales Officer Dave Menzies does not seem satisfied with his work in creating a new Sales record, he has spent a number of Sunday afternoons preparing and painting the roof of this car, a job that has been long overdue. Dave, along with one or two other members, has also been washing down 164 and 217 regularly.

467 and 680: These two ex-Footscray cars which are stored at Wantirna South have been swept out and tidied up recently.

Ballarat Scrubber: Ex E.S. Co. No. 23 has been the recipient of a further coat of roof paint in order to maintain the car until depot space is available for it.

W.S.12: Our Sheffield manufactured ganger's trolley has been overhauled, re-decked and repainted by Robert Aspinall and Mick Duncan. The trolley is proving its worth in carrying track materials and general track inspection duties. It is hoped that our two non-motorised trollies will receive similar attention soon.

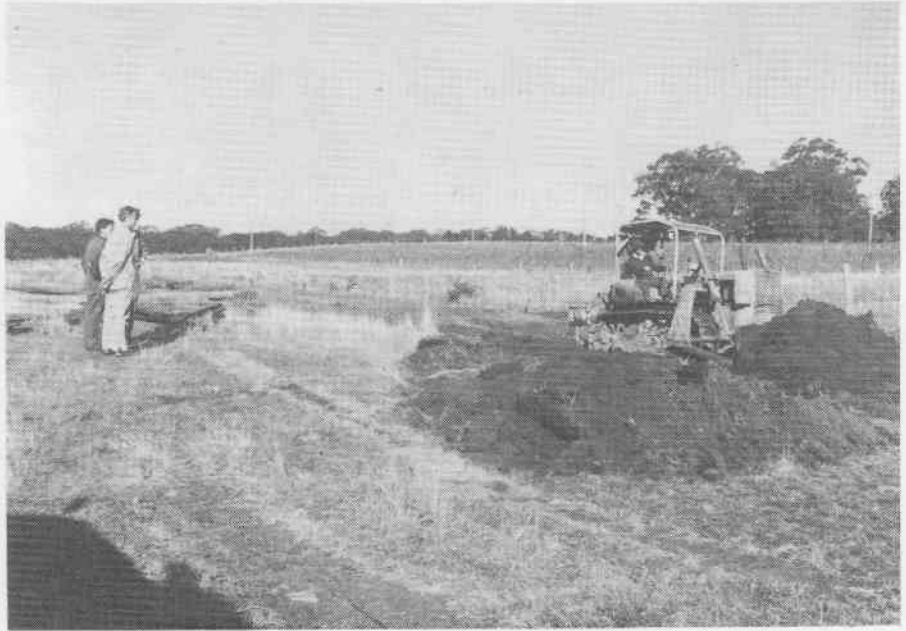
Rail: Member Glen Mills is currently completing a report to the Museum Board on track layout and special work to provide for our initial needs at opening.

The ex-Geelong tramway point will be used as the depot turnout and two 80 lb. points from Port Melbourne will be used for the passing loop. The existing railway points will be scrapped on Glen's advice.

Kilmore: By arrangement with a local resident the station verandah has been removed, concluding the demolition work undertaken by the Society.

Sales Dept. Would Mr. Young, who recently placed an order with Sales Dept., please write again including a return address.

5.  
On Sunday April 30th a bulldozer commenced the earthworks for Stage 1 of the depot at the museum, cutting into the ground at the southern end of the building site.



5.

6.  
The following weekend a grader was utilised at Bylands while society members checked the levels of the building area.



6.

7.  
That same day Robert Green (standing) and Brian Weedon drove the first peg, marking the north east corner of the structure.

8.  
Truck number 3 has a tower once more. This museum exhibit will see considerable use in coming months as the museum is constructed.





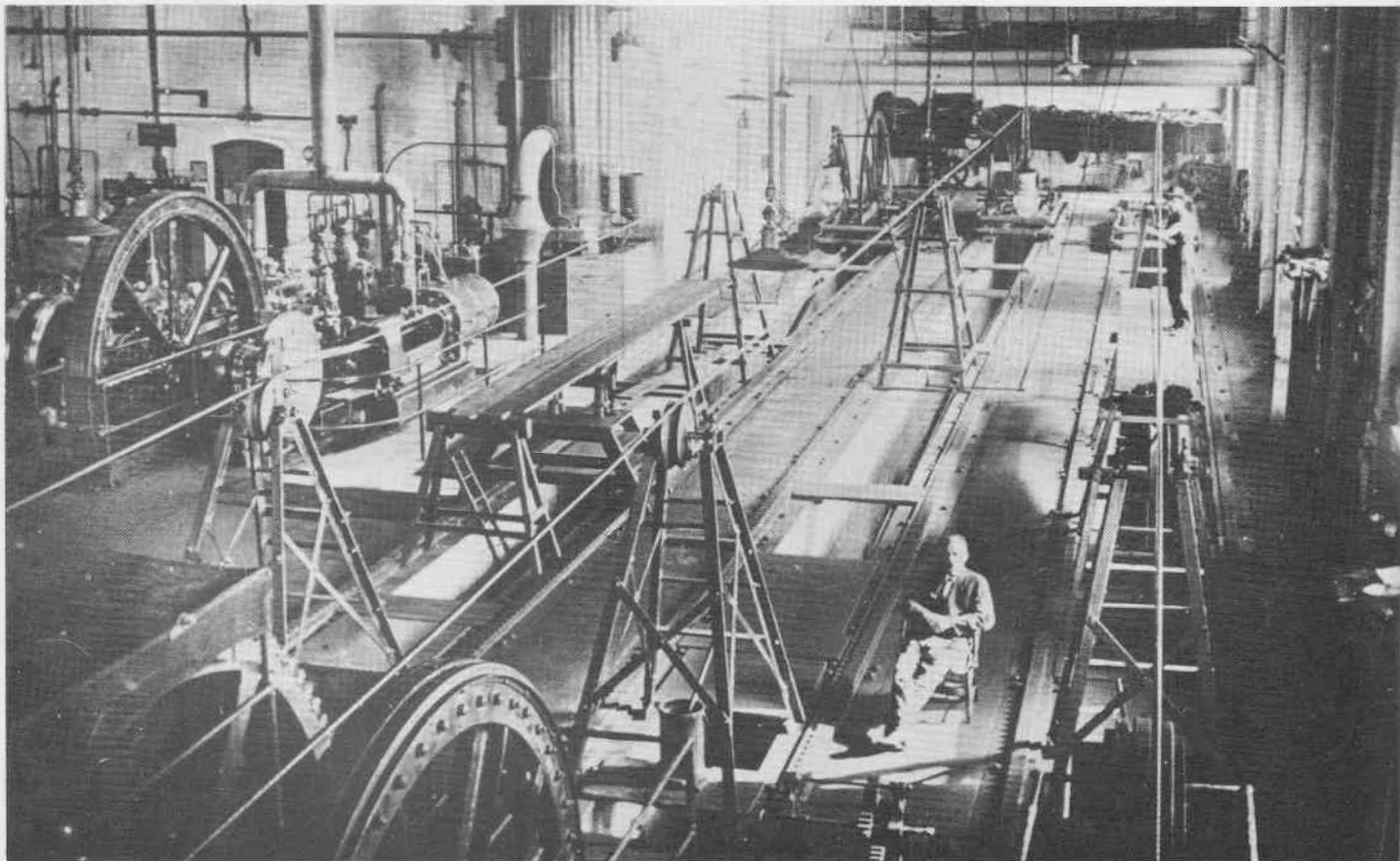
9.

9. The foundations of the company; the traffic staff and vehicles. Note the "M.T.&O. Co" on each collar of the employee and his number badge. The oil headlamps on the cars were used in company days but the M.T.B. introduced electric light utilising batteries located under the seats.

10. "large wheels being slowly revolved by steam engines with majestic strokes, in a spotless room of cathedral-like vastness" North Melbourne engine house, Queensbury Street.

PHOTO CREDITS:

Tramway Museum Society Archives	1,4,9.
A.E. Twentymen Collection	2.
Royal Historical Society	3.
Courtesy R. Lilburn	10.
K.S. Kings	5,6,7,8.



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