



# Mineral Resources Tasmania

## REPORT 1994/21

### The Mersey Valley oil boom of the 1920's

by C. A. Bacon

Naturally-occurring deposits of petroleum have been used for millennia. The basket which cradled Moses in the bullrushes was waterproofed with "slime and with pitch"<sup>1</sup>, while Noah's Ark was "pitched within and without"<sup>2</sup>. The builders of Babylon used pitch as a mortar for their fabulous constructions. The Egyptian Pharaoh Thothmes III extracted 1200 kg of bitumen as a tribute from certain cities in Mesopotamia, and a thousand years later Alexander the Great visited a Persian town where he was greeted by people lighting oil sprinkled in the streets. At Baku, in Azerbaijan, pilgrims flocked to the Eternal Fires, fuelled by naturally-occurring gas from petroleum seeps<sup>3,4</sup>.

Not a great deal of use was made of natural petroleum until the 1850's, when a method was found of distilling the crude product to produce various fractions: petrol, kerosene, fuel oil, lubricating oils, bitumen, and over 1000 other substances<sup>5</sup>.

By 1920, the use of petroleum was well established and a number of eager entrepreneurial types appeared in Tasmania in search of this very profitable substance. Part of this interest was due to the Commonwealth Government, which had offered a reward of £10,000 in January 1920 for the discovery of a payable oil deposit anywhere in Australia<sup>6</sup>. The oil seekers examined the potential for liquid oil (petroleum), then oil from oil shale, and oil from a coal (pelionite) in the Mt Pelion area at the head of the Mersey Valley.

Figure 1 shows the Pelion area in 1930, practically covered with 'Licence to Search', which was the forerunner of the modern day exploration licence.

One of the first of the myriad of syndicates and companies to spring up was the *Cannel Coal and Oil Syndicate* headed by a Percy Evans, who quickly acquired mining leases over 400 acres (160 ha) and Licences to Search (LTS) over a further 6400 acres (2600 ha)<sup>7</sup>. The syndicate referred to the pelionite as 'albertite', a claim which was to be repeated many times and one which infuriated various Department of Mines staff. Albertite is the name given to occurrences of inspissated (i.e. dried out) petroleum occurring in vertical fissures; this has been derived from actual liquid oil. Pelionite is a coal, from which volatile matter has not been distilled<sup>8</sup>. *The Age* of November 27 1920 and the *Zeehan and Dundas Herald* of Tuesday 30 November 1920 reported of "... deposits rich in crude oil 40 miles from Staverton Railway Station ..... prospecting by the *Cannel*

*Coal and Oil Syndicate* ...." A lump of 3½ cwt (180 kg) was taken to Melbourne by Evans, who subsequently reported yields of oil of 110 gallons/ton from the coal<sup>9</sup>.

At the first sniff of economic activity, Government Geologist Loftus Hills was on the trail — ensuring with all the vigour he could muster that all geological finds were recorded accurately and that no speculative statements were made without adequate foundation. From the outset, Hills was fighting a losing battle against the forces of unbridled optimism.

Following the articles in *The Age* and the *Zeehan and Dundas Herald*, Hills wrote to Acting Secretary for Mines, Pretymann, explaining the difference between albertite and pelionite, stating: "Investigation of the Barn Bluff Pelion area as a coalfield is a very desirable undertaking, but I consider it my duty to point out that money spent in the hope of locating liquid oil will be surely wasted"<sup>10</sup>. Hills requested that those responsible for the articles produce more evidence and continued: "In the absence of such more definite indications I am compelled by a realisation of my duty to the General Public to warn them that on the evidence in our possession there is no hope of any discovery of liquid oil in the Barn Bluff-Pelion area".

Sentiments like these, and his ever present need to "do his duty", saw Hills enter into some spectacular arguments with a wide range of people, even, at one time, his own Minister, Ernest Blythe, who was a director of one of the companies with which Hills had been having serious disagreements.

Hills' protestations did nothing to stop the flood of newspaper articles, the media being hungry for information on a new money-making venture, with all the glamour brought by that magic word 'oil'. The *London Times Trade Supplement* of 29 January 1921 included a glowing report from A. G. Black, Field Manager of the newly formed *Tasman Oil Prospecting Syndicate* saying "oil exists at Barn Bluff" supported by an additional report which confirmed Black's view from a "consulting geologist" which read: "I have no hesitation in confirming Black's view that oil exists at Barn Bluff, gas and oil seepages being plainly manifested during my recent inspection .... The geological features of the field generally indicate that large quantities of oil have been unquestionably produced by natural processes of distillation and may confidently be sought in the anticlines."

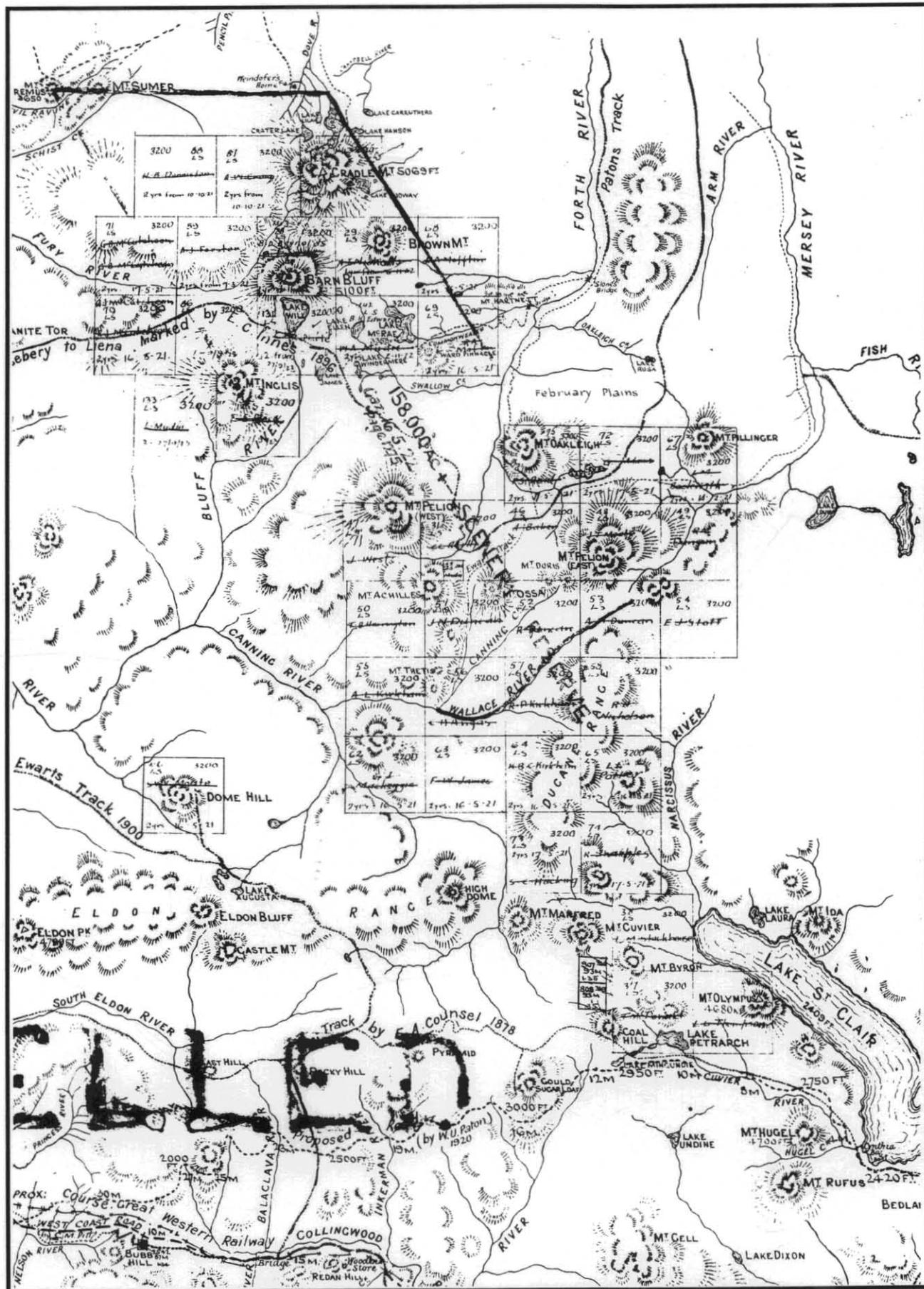
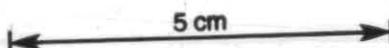


Figure 1

The Barn Bluff-Mt Pelion-Lake St Clair area, showing Licences to Search



Everyone was seeing oil — people seeing bubbles in a river near Penguin reported the matter<sup>11</sup>, hoping the bubbles would be oil; Hills laconic reply<sup>12</sup> that the bubbles were neither “unique or unusual” probably did nothing to lessen his temper. A builder from Scottsdale noticed a “skim” when he wet loam he was using and suspected an oil find<sup>13</sup>. Yet another individual from Somerset wrote about rock in his backyard which “when put in the fire explodes and makes a fair report”<sup>14</sup>. Hills concluded that the offending material was sandstone, but offered to test it for the price of 1/- and see whether or not it contained oil<sup>15</sup>.

Sundry others requested whatever information was available on coal, oil or oil shale — usually to be told there was no spare copy of any relevant report, although to be fair, the explanations given were as detailed as possible. Then, of course, there were erroneous newspaper reports to correct.

Hills put *The Age* straight<sup>16</sup> and they printed an article including an emphatic warning against the investment of money in connection with the reported discovery of oil in the Barn Bluff district by a Melbourne Syndicate.

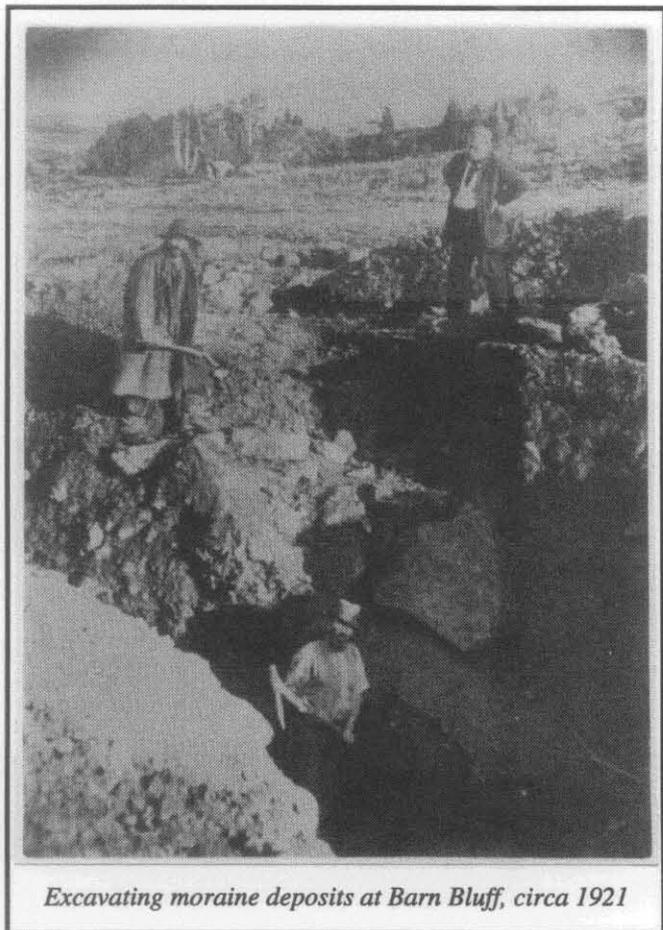
As the *Cannel Coal and Oil Syndicate* was, at the time, (December 1920) the only one in existence, Percy Evans took offence, and complained to the Minister<sup>17</sup>. Operations by Evans’ syndicate, who were in the process of amalgamating with Black’s, were halted, and investment income dried up, but this setback was only temporary and by March 1921<sup>18</sup> a treatment plant in Melbourne was being planned and work was underway on the field to extract the coal by digging trenches<sup>19</sup>.

The coal at Barn Bluff and in the Mt Pelion area was first noted around 1892. Reward Claims in the Barn Bluff area were granted to F. Holmes and W. Hart for their finds, and Reid (1919) credits these individuals with the discovery. Montgomery (1893) noted that this coal had been found by “members of the *Mole Creek and Zeehan Mineral Prospecting and Exploration Company*” while Hills gave the credit of the discovery to I. Will.

The coal at Barn Bluff was found as large pieces in a moraine on the southeastern spur of the Bluff. From the thickness of the slabs of coal the seam was judged to be around 8 inches (200 mm) thick. A twelve-inch (300 mm) thick seam was found on the saddle between Barn Bluff and Cradle Mountain. This seam lies just above the Permian basal conglomerate and is part of the equivalents of the Mersey Coal Measures of Early Permian age<sup>20</sup>. A variety of sapropelic coal called ‘pelionite’, formed largely of the algae *Rienschia*, occurs in the Barn Bluff coal. This is a waxy, liptinite-rich substance which can actually exude a sort of oily residue, which may appear to a casual observer as perhaps ‘tar’ or dried-up petroleum.

The Mount Pelion coals are contained in a sequence of sandstone and carbonaceous shale belonging to the Cygnet Coal Measures and equivalents, being of Late Permian age. This coal does not exude any oily material and is formed of different materials to that of the Barn Bluff coal.

Some coal was evidently procured from the Barn Bluff area and sent to Melbourne, where oil was retorted from the coal in October 1921. Evans, now writing under the banner of



Excavating moraine deposits at Barn Bluff, circa 1921

the *Tasman Oil Company NL*, apologised to Loftus Hills that none was left for his use<sup>21</sup>.

By way of reply<sup>22</sup> Hills cautioned the new company not to estimate the oil obtainable from the distillation of pelionite based on the very best samples.

At the same time that Percy’s lads were digging (uselessly, according to Hills) in the moraine, the Commonwealth approached the States lamenting that the oil discovery reward, by now increased to £50,000, was still unclaimed. The Commonwealth proposed to offer a £2500 bonus for the discovery of unrecorded indications of the existence of oil which were found worthy of testing. The Commonwealth proposed that the cost of testing and development be shared jointly with the States, and if successful, the State could have 1/2d/gallon royalty, while the Commonwealth kept the rest. The State Minister had several harsh remarks to make on the proposal<sup>23, 24</sup>.

Companies continued to spring up and join in the search for oil. One of the next to appear was the *Adelaide Oil Exploration Company Ltd*, headed by a John McKinley Moate. The company had been incorporated on 22 March 1920. The prospectus stated “The drilling rights secured in Tasmania cover very large areas within the Mt Pelion and Mersey Valley oil and coal region .... our Field Geologist states he is positive an oil field exists there ...”

Hills ran into trouble head on with Moate, disagreeing at every opportunity with Moate’s statements on oil in Tasmania. Company circulars which referred to “rocks (which) are saturated in petroleum, strong odour in cutting”, Hills regarded as “an absolute misrepresentation

of fact. It serves to show what lengths these people are prepared to go to prevail on people to invest their money”<sup>25</sup>.

The largest bunfight ensued over a press release made by Moate in June 1921, quickly followed by one from Hills. Moate then claimed Hills had accused him of saying things he had not said. All this fuss over only a few sentences! The scene was set following the publishing of interviews with Sir Edgeworth David in the Adelaide papers *The Advertiser* and *The Register* of 27 June 1921, in which mention was made that asphaltum is found in some areas where there is oil below the surface.

The very next day, on 28 June 1921, Moate was quoted by the Adelaide *Register* as saying “It (asphaltum) has been found in very large quantities in an inland position in the State. If (Sir Edgeworth Davids’) statement is true, the lumps of asphaltum found on the coast had come from some area where there was oil beneath the surface. There is certainly an oilfield of great magnitude in Tasmania for there is plenty of it.”

Hills prepared a statement explaining the difference between liquid oil and pelionite, and made clear that whilst asphaltum (a product of petroleum) had been found on the coast of Tasmania, none existed in the Barn Bluff coalfield. This was printed in a number of papers including the Adelaide-based *Register*, on 9 September 1921, under the heading “Oil Indication, A Serious Mis-statement”. Part of this read: “Mr Moate has endeavoured to draw for inference from a statement of Sir Edgeworth David that the asphaltum had come from some area where there was oil beneath the surface and that there was an oilfield of great magnitude in the Barn Bluff Pelion district.”

Moate replied in *The Register* of 10 September 1921 calling Hills’ attack “vulgar, brutal and reckless”. Moate maintained he had not said the words “an oilfield of great magnitude in the Barn Bluff Pelion district”, but rather “an oilfield of great magnitude in Tasmania” and offered £1000 to the Adelaide Childrens Hospital if Hills could prove this. Hills had not accused him of saying this, but of drawing erroneous and misleading inferences from what data there were. Moate’s solicitors wrote threatening letters to Hills, and requested an apology<sup>26</sup>. Hills referred the matter to the Minister<sup>27</sup>, noting that in the circulars issued by the *Adelaide Oil Exploration Company Ltd* mention was made of asphaltum.

Numerous circulars, prospectus etc., issued by the *Adelaide Oil Exploration Company Ltd* in regard to Barn Bluff did, in Hills view “show perfectly clearly that they were intended to convey the impression that asphaltum occurred in the Barn Bluff area and that asphaltum was indicative of the occurrence of liquid oil. That was the inducement held out to the public and to subscribe their capital.” One prospectus claimed that the company held land which “contains the greatest potential amount of wealth hitherto controlled by any one concern in the British Empire and probably the whole world, outside the States of America” and promised returns of up to five thousand pounds (\$10,000) per ten pound (\$20) share from oil, which “was there in millions of tonnes, scattered on the surface of the ground in the form of carbonised asphaltum, that is inspissated or dried up petroleum and has been there exposed for ages, neither perished nor perishable for the

simple reason that it is oil and consequently impervious to atmospheric and other kindred influences”, further noting that “such fabulous returns are not an uncommon thing in oilfields”<sup>28</sup>.

The Department engaged the Solicitor-General to look after Hills<sup>29</sup>, a move which did nothing to endear Moates’ solicitors, who bombarded Hills with letters and telegrams.

The Prime Minister enquired<sup>30</sup> in mid November as to “How much of your state has been tested for oil and to which depth”. Hills’ reply<sup>31</sup> spent the first page rattling on deciding what the word “testing” meant in this context, drawing an analogy between geological examination of ground without using drillholes and a medical man’s diagnosis of appendicitis in a patient without using surgical instruments.

In October a Mr Whitfield, Attorney and Counsellor from California, wrote<sup>32</sup> offering to sell the Commonwealth Government an instrument designed by a Mr Perry which located minerals, metal, lost coins and oil. This fabulous machine was supposed to “indicate the direction to go to find oil, when directly on oil it will indicate and tell whether in small or large commercial quantities”.

No doubt this received a scornful reception; no reply is recorded. However, Hills could not let up on the boomsters for a minute and wrote, complaining, to the Minister on 17 November 1921: “The attempt has been made to induce people to invest in this proposition in Tasmania on the grounds that pelionite is dried up petroleum, and that boring will disclose liquid oil. Now the information is definite and final that that substance is not dried up petroleum and there is no chance of finding liquid oil. When the inevitable crash occurs and the investors realise that they have been misled, the reputation of the State of Tasmania will very materially suffer, and any legitimate proposition for the development of the natural resources of Tasmania put forward in the future will receive very little support..... It devolves upon me in my official capacity to protect the good name of Tasmania by pointing out the true facts and seeing that the public are not misled”.

In December, 1921 the *Tasman Oil and Products Company* replaced the *Tasman Oil Company NL*, and the *Great Pelionite Petroleum Oil and Products Syndicate* appeared. Hills pointed out<sup>33</sup> that most of the Licence To Search areas in the name of A. J. Forster, C. D. & R. J. McCutcheon outlined in the prospectus were over quartzite, and grumbled again at the incorrect reference to pelionite as “inspissated petroleum.” Also in December, Moate asked the Government for the unbelievable — exclusive rights to search for oil and “oil bearing rocks” (at least the charade of pelionite being touted as dried up petroleum had ceased) for five years. At the end of the five years Moates’ company was to select, and hold permanently, an area of 100 square miles, and pay a royalty of 10% nett market values on any oil produced<sup>34</sup>.

Hills wrote pages belittling the whole suggestion<sup>35</sup> and Moates’ offer was eventually refused, but not before the matter had been discussed by the House of Assembly. Mr E. F. Blythe, who was to become Minister for Mines in August 1922, was a supporter of Moate, and raised the matter by a motion: “That in the opinion of the House of

Assembly it is desirable and urgently important for the future of the State that the primary resources should be developed, and in order to encourage this, the widest possible opportunity, consistent with the preservation of State and individual rights, should be afforded to those who are willing to devote their energies and capital to this end. The House of Assembly therefore expresses the opinion that the proposal made in writing to the Minister for Mines regarding the intention of the Adelaide Exploration Company to search for oil requires the attention of the House and in order to fully investigate the proposal placed before the Minister, a select committee should be appointed”.

Mr Blythe said that the whole world was calling out for oil, and stated that “waste countries had seen large cities grow because of the discovery of oil fields”<sup>36</sup>. Blythe went on “There was everything in Tasmania that was found on the oil fields in other countries. The structural geology was present” . . . and he continued his support for Moate: “the directorate were men who would not lend themselves to anything shady. The company had expressed full confidence in Mr J. F. Moate, the managing director of the company, and declared that they were disgusted with the false report which had been made by the Tasmanian Government Geologist, Mr Loftus Hills”. Blythe suggested that “members appoint a committee to investigate the bona fides of the company, and see if it was in a position to carry out the obligations it was prepared to undertake”. He complained that the Minister for Mines had not replied to the offer made by the company although two or three weeks had elapsed.

The Minister denied that he had been discourteous, saying he had only received the report from the Department of Mines’ officers on the offer on the previous day, so he could not have answered the letter and he listed Moate’s existing entitlements under the *Mining Act 1929*<sup>37</sup>.

The House agreed to the formation of a Select Committee<sup>38</sup>. However, Moate took offence at the insinuations that had been made against him and decided to withdraw from the State altogether<sup>39</sup>.

Hills wrote to A. M. Reid who was in Victoria, on 19 December 1921, noting that Blythe’s motion had come up in the house: “A select committee was appointed to inquire into bona fides etc. and the Minister specially provided that an officer of the Mines Department, that is myself, should have the right to attend. When that decision was made to them they slipped their anchor and are leaving Tasmania, threatening to sue the Government and all sorts of things. It is obvious that they would not face the full enquiry”.

As a parting shot, Moate devoted two pages of a four page circular<sup>40</sup> castigating Hills and misquoting him as well, referring to “the miserable whimperings . . .” (of Hills) and how he . . . “has never ceased . . . to wage an unaccountable vendetta against us from the moment we set foot in the Island State, . . . (Hills) says that we are foredoomed to failure in our effort to find oil in Tasmania and that it is his duty (!!!) to prevent us from searching for it there”. This really was untrue, and Hills must have been quite upset by such writings.

Hills also had allies — a Miss Stuckey from Unley Park, who held shares in Moate’s company wrote to Hills<sup>41</sup> regretting the insults printed and lamenting the frequent calls on shares. The writer informed Hills that only 10 men on 34 acres had been employed to date, and that while the company could only hold 3400 acres under licence, shareholders were told of “Agreements” giving control of 100,000 acres. On these, “drilling rights” had been obtained in the name of Mr Moate and his daughter, who were given 1400 fully paid shares worth £14,000 for those “rights”. Hills wrote quite a warm and friendly letter in return, wishing Miss Stuckey “best fortune which I assure you will not be attained through the search for liquid oil in Tasmania”<sup>42</sup>.

Hills made a visit to the Mt Pelion–Barn Bluff area himself in December 1921 and noted that the “nearly vertical fissures of pelionite” were simply fragments of pelionite which happened to be standing up on end. The seam was noted as being 8” (200 mm) thick. Hills wrote to L. A. Nichols: “I can say more emphatically than ever that there is no chance of obtaining liquid oil in the Barn Bluff area. I really had to laugh when I saw what Black was interpreting as nearly vertical fissures of pelionite. These are merely fragments of pelionite that happen to be standing upon end amidst other detrital glacial matter”<sup>43</sup>.

The next person to incur Hills’ wrath was a Mr E. de Hautpick, who had “wide experience” of oilfields both in Russia and elsewhere<sup>44</sup>. Within months, Hills made his displeasure known in a letter to Sir Douglas Mawson, writing on 24 March 1922: “Certainly the oil boomsters have taken up a lot of our time. They are an awful nuisance. This latest arrival (de Hautpick) is of Slavonic origin and temperament and is evidently out to have a flutter for a few months. I do wish I could receive a hundred guineas a week for geological examinations”.

de Hautpick assisted in the compilation of the prospectus of yet another company, the *Mersey Oil Company Ltd*. Hills found it “very entertaining and would regard it on a parallel with *Punch* as a source of humour if it was not for the fact that money badly needed for other purposes is going to be expended with no hope of getting the results expected”.

Stanley Hunter, from the Department of Mines in Melbourne, sent a long letter to Hills on 20 May 1922, quoting phrases, paragraphs and whole pages out of the *Mersey Valley Oil Company Ltd* prospectus showing how it had been cobbled together from parts of a text book by E. H. Cunningham-Craid, and geological papers by Myron Fuller and D. White published in the *Bulletin of the Geological Society of America*.

Hills thanked his colleague for the “digest of Hautpick’s plagiarisms. . . I am well armed and the process of the final killing when he comes like a lamb to the slaughter will be entertaining”<sup>46</sup>.

The work of de Hautpick and the *Mersey Valley Oil Company Ltd* came to nothing, and the company faded into obscurity along with the dozens of other similar companies and syndicates who had been chasing their oil dreams. However Moate’s companies were more persistent than most.

In the mid 1930's the *Adelaide Oil Exploration Company Ltd* set about a renewed phase of activity. Hills was out of the way — having been booted out of the Geological Survey and his position abolished. Even so, the company officials seemed to have learnt no lessons whatsoever in diplomacy and public relations during the previous quiet years, and ended up fighting a pitched battle with the Minister, Major Davies, on almost identical lines to the battle they had had with Hills more than a decade earlier.

The *Adelaide Oil Exploration Company Ltd* had continued spending shareholders money looking for liquid oil, then turning to 'oil bearing' substances. In the late 1920's the *Adelaide Oil Exploration Company Ltd* joined forces with the *Standard Oil Company of Australia Ltd* and the *Chilean Oil Fields (South America) Ltd* in a 'pool agreement'<sup>47</sup>. That is, any find of riches by one company was to be shared by the other two. However, after 16 years of looking and spending by the *Adelaide Oil Exploration Company Ltd*, not a single teaspoonful of oil had been produced commercially. Shareholders induced the Shareholders Mutual Protection Society to investigate the affairs of the Company<sup>48</sup>, and the Minister for Mines, Major T. H. Davies, called the company "a menace to the mining public"<sup>49</sup>.

In December 1935, E. J. Stott (a Director of the *Adelaide Oil Exploration Company Ltd*) requested permission<sup>50</sup> to mine 20 tonnes of oil shale from the "Mersey Oils Shale Deposits". The Secretary for Mines (James Balfour Scott) replied there were no workings available on Crown Land, and suggested the sample be obtained from the *Tasmanite Shale Oil Company Ltd*, on whose property there were workings. Two weeks later, the Secretary wrote again<sup>52</sup> saying Stott could remove 20 tonnes of shale from Crown Land near Railton. Stott replied<sup>53</sup> that he did not need Government permission after all, his requirement having been met by 'private interests'. Scott pounced, pointing out that it was an offence under the *Mining Act 1929* to remove shale from private land without a valid mining tenement<sup>54</sup>. The shale had, in fact, been obtained from the *Tasmanite Shale Oil Company Ltd's* workings — something which Stott could have stated earlier. Haughtily, he wrote: "I ..... presume this Company's tenement is in order"<sup>55</sup>.

This was only the beginning of a long, protracted and bitter argument over this one, miserable 20 tonne sample. The second sticking point was a misunderstanding by company staff regarding proposed changes to the *Mining Act 1929*, which sought, in part, to limit areas to be leased to a maximum of 640 acres (260 ha) per block. There was no limit to the number of blocks an individual or company could hold, but this point was either not understood, or completely lost, in the debate. The company solicitor wrote to the Secretary in October 1936, demanding changes to the *Mining Act 1929*<sup>56</sup> and was told there was no limit to the number of leases of that acreage which could be held<sup>57</sup>. The Company entered into a series of 'option agreements' with private landowners to search on their lands; these totalled over 3000 acres and the agreements were registered with the Department of Mines. These agreements allowed the company to prospect on private land for a period of six months — however proper mining leases still had to be applied for, and granted, even on private land, before any mining proper could commence.

However adherence to, or understanding of, existing Mining Regulations was still not well understood by company staff, who constantly bombarded the Secretary with correspondence demanding impossibilities, one such being a series of options (to search) "to give the company an unconditional right to enter and search on the land for a period of 30 years". The Secretary, writing to the Minister on 21 September 1937, observed that "it is beyond reason to suggest that such could be recorded by me as being in accordance with the *Mining Act 1929* and Regulations thereunder, as existing at the time". This was an almost identical re-run of their previous fight with the Government all those years earlier, and it was to end the same way.

No sooner had the 20 tonne sample been taken when arguments began — again with Government officials dismayed by extravagant claims made relating to the yield of oil from the shale.

Inspection by Department of Mines officers, in the company of the miner who procured the shale, showed that only the rich 'top band' of shale had been taken<sup>59</sup>. The shale seam was known to be easily split into three bands: a top, very rich band; a thinner, almost barren, middle band; and a moderately rich bottom band<sup>60, 61</sup>. The company insisted that the value of oil procured from this sample, 48 gallons/ton, was representative of the shale as a whole<sup>62</sup>, causing Secretary Scott to write to the Minister<sup>63</sup> pointing out that the shale, as a whole, yielded only 27 gallons/ton. The discrepancy in anticipated yields was pointed out to the company<sup>64</sup> at the request of the Premier<sup>65</sup>. The *Adelaide Oil Exploration Company Ltd* was also at this time (early 1937) making representations to the Commonwealth Government for remission of duty on some equipment to be purchased in America and in London<sup>66, 67</sup>. Scott wrote to the Minister<sup>68</sup> noting that the company had no actual title to any shale-bearing lands anywhere in the Mersey Valley, as the Crown had leased "practically all the shale bearing areas in the district" to *Land N (Tasmania) Ltd*. A message to this effect was conveyed to the Commonwealth Government<sup>69</sup>.

Moate, the Managing Director of the *Adelaide Oil Exploration Company Ltd*, reiterated earlier claims that the new Trac Vapour Phase plant in America "proved to give far higher results than was deemed possible" and continued his efforts to have the duty lifted<sup>70</sup>, so that the three million tonnes of shale on his company's privately-owned 700 acres could be treated by this new retort<sup>71-73</sup>.

Moate spent most of 1937 promising to start up a shale oil industry, and trying to extract leases, both over Crown and private land, in the Mersey district<sup>74</sup> without first drilling on lands over which Permits to Enter were already held. The Department promised that leases would be issued if satisfactory results were produced from the drilling<sup>75</sup>. This was not enough for the company, who never missed an opportunity to blame the Government for their fairly evident lack of activity<sup>76</sup>. Minister Davies must have finally had enough of their tactics — after promising the leases, pending satisfactory drilling results, he tabled in the House, on 5 October 1937, all the files of Mines Department correspondence relating to the *Adelaide Oil Exploration Company Ltd*. This was just too much for the company, who promptly threatened to withdraw from the State<sup>77</sup>. This prompted a furious outburst in the press. An

editorial in *The Examiner* of Monday 3 November 1937 castigated the Government for letting a potential industry slip by. Major Davies replied at length, describing the Company's activities as being, amongst other things: "a black fellows corroboree for the Moate family, and may be likened to a fourth class American jazz band which is without tune or harmony in that it has no real progressive policy for unfortunate shareholders"<sup>78</sup>. A barrage of articles and letters both for and against the company followed<sup>79-83</sup>. The *Adelaide Oil Exploration Company Ltd* left the State and transferred its attentions to the Baerami oil shales in New South Wales<sup>84</sup>, ending a colourful and exciting era in the history of geology in Tasmania.

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- REID, A. M. 1919. The Mt Pelion mineral district. *Bulletin Geological Survey Tasmania* 30.
1. Exodus 2:3.
  2. Genesis 6:14.
  3. Loftus Hills considered that the term 'pitch' should be applied only to products of wood and coal distillation (as expressed in a letter to Professor Sir Edgeworth David, 3 September 1921). Despite Hill's preference, the term 'pitch' was frequently used to describe substances derived from the weathering of petroleum; Pitch Lake, Trinidad, for example contains asphaltum (a bituminous substance also called 'mineral pitch' derived from petroleum). Hills did not like Edgeworth David using the word 'pitchy' to describe pitchy substances derived from the weathering of petroleum.
  4. MEE, A. *The Childrens Encyclopaedia*. The Education of Book Company Ltd, London.
  5. *Pears Cyclopaedia, Forty-First edition, 1932*. A. & F. Pears, Isleworth, UK.
  6. Circular 300/89 from the Prime Minister to the Premier of Tasmania, 10 August 1921.
  7. Copy of circular to directors and shareholders of the Cannel Coal and Oil Syndicate, 19 November 1920.
  8. Letter from Loftus Hills to W. A. Pretyman, Acting Secretary for Mines, 8 December 1920.
  9. Letter to Minister for Mines from Percy Evans, late 1920.
  10. Letter from Loftus Hills to W. A. Pretyman, Acting Secretary for Mines, 8 December 1920.
  11. Letter from E. Eastall and two others from Richardsons Factory, Penguin to Loftus Hills, December 1920.
  12. Reply to above from Loftus Hills, 14 December 1920.
  13. Letter from E. Nasson, Scottsdale to the Government Geologist, 20 September 1920.
  14. Letter from G. Richardson, Somerset to the Mines Department, 8 July 1921.
  15. Reply to above from Loftus Hills 12 July 1921.
  16. Letter from Loftus Hills to W. A. Pretyman, Acting Secretary for Mines, 8 December 1920.
  17. Letter from Loftus Hills to W. A. Pretyman, Acting Secretary for Mines, 8 December 1920.
  18. Letter from P. Evans to Loftus Hills, 12 March 1921.
  19. Letter from P. Evans to Loftus Hills, 13 August 1921.
  20. BACON, C. A. 1991. The Coal Resources of Tasmania. *Bulletin Geological Survey Tasmania* 64.
  21. Letter from P. Evans to Loftus Hills, 7 October 1921.
  22. Letter from Loftus Hills to Reginald Stoneham, *Tasman Oil Company*, Melbourne, 14 October 1921.
  23. Letter from Acting Prime Minister to Premier of Tasmania, 10 August 1921.
  24. Notes on scheme by Minister for Mines, Tasmania, 31 August 1921.
  25. Letter to Minister for Mines from Loftus Hills, 2 September 1921.
  26. Letter from McLaughlan and Reed, Solicitors for Moate, to Loftus Hills, 21 October 1921.
  27. Letter from Loftus Hills to Minister for Mines, 27 October 1921.
  28. *London Times Trade Supplement*, January 1921.
  29. Letter from the Solicitor-General to Loftus Hills, 3 November 1921.
  30. Secretary for Mines to Director, Geological Survey, 11 November 1921.
  31. Loftus Hills' reply to Pretyman, 14 November 1921.
  32. Copy of letter from F. H. Whitfield to Commonwealth Government, 1 October 1921, forwarded to Premier from E. J. Russell for Prime Minister, 21 November 1921, forwarded to the Minister for Mines by D. T. Lawson, Secretary to Premier 21 November 1921, forwarded to Government Geologist by order of Pretyman, 29 November 1921.
  33. Loftus Hills to A. J. Forster, 12 December 1921.
  34. Moate to Minister, 1 December 1921.
  35. Loftus Hills to Minister for Mines, 13 December 1921.
  36. *The World*, Friday 16 December 1922.
  - 37.
  - 38.
  - 39.
  40. New Years Greetings, "1922" circular produced by J. Moate and the *Adelaide Oil Exploration Company Ltd*.
  41. Miss Stuckey to Loftus Hills, 2 February 1922.
  42. Loftus Hills to Miss Stuckey, 14 February 1922.
  43. Loftus Hills to L. A. Nichols, 14 December 1921.
  44. Letter from M. Hartwell Condor to Minister for Mines, 24 December 1921.
  45. Letter from Hills to S. Steward, 12 May 1922.
  46. Letter from Hills to S. Hunter, 23 May 1922.
  47. Director's Reports and Balance Sheets, 30 June 1936 of *Adelaide Oil Exploration Co. Ltd; Standard Oil Co. of Aust. Ltd and Chilean Oil Fields (South America) Ltd*.

48. Letter from Shareholders Mutual Protection Association to Secretary for Mines, 5 July 1937; and a brochure produced by Shareholders Mutual Protection Association, Adelaide, addressed to the shareholders of the *Adelaide Oil Exploration Co. Ltd* and associated companies.
49. *The Advocate*, 5 November 1937.
50. Letter from E. J. Stott to Secretary for Mines, December 1935 (File A20 M236/34 MIN2/105).
51. E. J. Stott, Secretary for Mines, 6 December 1935.
52. Secretary for Mines to E. J. Stott (at Latrobe), 19 December 1935.
53. E. J. Stott to Secretary for Mines, 23 December 1935.
54. Secretary for Mines to E. J. Stott, 24 December 1935.
55. E. J. Stott to Secretary for Mines, 26 December 1935.
56. G. W. Murray to Secretary for Mines, 15, 16 October 1936.
57. Secretary for Mines to G. W. Murray, 18 November 1936.
58. Annual Report, 30 June 1936, *Adelaide Oil Exploration Company Ltd*.
59. Letter Secretary for Mines to Assistant Manager Shareholders Mutual Protection Association Ltd, 1 June 1938.
60. Oil Shale Bulletin.
61. Letter Secretary for Mines to Secretary, Shareholders Mutual Protection Association Ltd, 12 November 1937:
- |                |                                     |
|----------------|-------------------------------------|
| top shale band | 20.5 inches, yield 49.5 gallons/ton |
|                | 5 inches, yield 5 gallons/ton       |
|                | 18 inches, yield 23 gallons/ton     |
| whole seam     | 43.5 inches, yield 30.3 gallons/ton |
62. *The Advocate*, 10 December 1936.
63. Letter Secretary for Mines to Minister for Mines, 10 December 1936.
64. Letter Minister for Mines to Managing Director *Adelaide Oil Exploration Co.*, 20 January 1937.
65. Letter Premier Ogilvie to Minister for Mines, T. H. Davies, 24 December 1936.
66. *The Advocate*, 21 April 1937.
67. *The Examiner*, 15 April 1937.
68. Memorandum Secretary for Mines to Minister for Mines, 13 April 1937.
69. Letter Minister for Mines to Col. White, Commonwealth Office, Canberra, 28 April 1937.
70. *The Mercury*, 20 May 1937.
71. *The Truth*, 22 May 1937.
72. *The Examiner*, 21 May 1937.
73. *The Mercury*, 20 May 1937.
74. Letters J. H. Moate, *Adelaide Oil Exploration Co. Ltd* to Minister for Mines, 23 June 1937, 21 July 1937.
75. Letter Minister for Mines to J. H. Moate, 20 September 1937.
76. *The Advocate*, 12 August 1937.
77. *The Advocate*, 21 October 1937.
78. *The Advocate*, 5 November 1937.
79. *The Advocate*, 6 November 1937.
80. *The Examiner*, 8 November 1937.
81. *The Mercury*, 16 November 1937.
82. *The Advocate*, 16 November 1937.
83. *The Examiner*, 16 November 1937.
84. *The Truth*, 29 June 1938.

[8 August 1994]