

THE WAITOA FIND: A FRAUDULENT DISCOVERY CLOSE TO TE AROHA

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Abstract: *John Bealby Smith, a successful farmer at Waitoa and a prominent resident of the wider district, invested in the Te Aroha and Waiorongomai goldfields. In 1886 his announcement of finding gold on his farm created considerable excitement but also puzzlement, as it was an unlikely location and the nature of the gold was unusual. When tests made by some experts convinced them that the find was genuine, adjacent farms and even land throughout the Waihou Valley were tested as well, with some encouraging results being reported.*

Despite the results being erratic, they were sufficient to cause Smith to form a private company to develop his land; almost all the investors lived in the South Island. People in Auckland were also excited at the possibilities, although Te Aroha residents were more cautious. Because of continued doubts about the nature of the gold and whether it would be payable, more tests were made in Auckland, resulting in the fraudulent salting of the sands being uncovered. Despite this verdict, for a time many people, including one apparent expert, retained faith in the 'goldfield', and Smith denied any wrongdoing. His denials were undermined by his precipitous departure from the colony, to which he never returned.

JOHN BEALBY SMITH AND HIS WAITOA FARM

John Bealby Smith was born in 1858, the elder son of John, who farmed at Southbridge in Selwyn County,¹ to the south of Christchurch.² Although his farm was north of the Rakaia River, in the Ellesmere district, it was called Belfield, the name of a settlement to the south of the Rangitata River, near Geraldine.³ Originally from Yorkshire, after settling in Christchurch John Smith married Ann Bell, producing a family of two boys and a girl before dying in March 1878, aged 54, 26 years after leaving

¹ For details of the Southbridge district, see George Singleton, *Ellesmere: The jewel in the Canterbury crown* (Leeston, 2007), pp. 128-144.

² Birth Certificate of John Bealby Smith, 1858, 1858/2025; Marriage Certificate of John Bealby Smith, 31 May 1881, 1881/1546, BDM; *Auckland Weekly News*, 11 June 1881, p. 1.

³ Probate of John Smith, CH 186/1878, CH 171, ANZ-C; Singleton, p. 136.

England.⁴ He had been an active member of the community.⁵ He left an estate valued at under £8,000, and when John Bealby turned 21 in 1879 he inherited 753 acres in Southbridge, much smaller areas going to his siblings.⁶ After his father's death, the younger son farmed 81 acres at Southbridge.⁷

John Bealby Smith arrived in the Waitoa district in early 1879, was shown land owned by a former Cantabrian,⁸ Frederick Strange,⁹ and 'was so pleased with it that he purchased it' on 12 November. About six miles from Te Aroha, its 1,988 acres was part of the Waihekau No. 2 Block.¹⁰ After the railway was built it was two miles from the Waitoa station and three from the Waihou one. The Waitoa River was its western boundary, and it was intersected by the road from Waitoa to Matamata and by the Waihekau Stream.¹¹ His Southbridge land, valued in 1882 at £13,553, and leased for £1 6s per acre, enabled him to develop his Waitoa property.¹² In 1882 Waihekau No. 2 was recorded as being 2,001 acres, valued at £9,000.¹³ His farmhouse was erected 'on a high ridge' running through several properties, 'with a gentle slope towards the North East, terminating in flat land' extending to the river.¹⁴ Presumably because of this ridge, he named his land 'Terrace Farm'.¹⁵

⁴ Death Certificate of John Smith, 19 March 1878, 1878/1185, BDM.

⁵ See G.W. Graham and L.J.B. Chapple, *Ellesmere County: The land, the lake and the people 1864-1964* (Leeston, 1965), pp. 154, 162.

⁶ Probate of John Smith, CH 186/1878, CH 171, ANZ-C.

⁷ *Weekly Advertiser and Commercial Gazette*, 5 September 1885, p. 150.

⁸ *Te Aroha News*, 29 October 1917, p. 2.

⁹ See *Te Aroha News*, 29 October 1917, p.2; for his land before Smith purchased it, see *Auckland Weekly News*, 22 December 1877, p. 14; *Te Aroha News*, 1 February 1923, p. 2, 12 October 1927, Supplement, p. 1, 12 January 1942, p. 5.

¹⁰ Lands and Survey Department, Certificates of Title Register Book, vol. 17 no. 230, Land Information New Zealand, Hamilton; Own Reporter, 'Tour in the Aroha, Waitoa, and Piako Districts', *Thames Advertiser*, 3 July 1880, p. 4.

¹¹ *Te Aroha News*, 15 October 1887, p. 2.

¹² *A Return of the Freeholders of New Zealand* (Wellington, 1884), p. S 54; Own Reporter, 'Tour in the Aroha, Waitoa, and Piako Districts', *Thames Advertiser*, 3 July 1880, p. 4; *Te Aroha News*, 13 September 1884, p. 2.

¹³ *Return of the Freeholders of New Zealand*, p. S 54.

¹⁴ *Te Aroha News*, 23 October 1887, Supplement, p. 7.

¹⁵ *Te Aroha News*, 13 September 1884, p. 2.

Smith reportedly had ‘considerable experience of farming down South’ before settling at Waitoa.¹⁶ In 1880, the *Descriptive Handbook to the Waikato* described his property as being ‘a very compact little farm, well tilled and with good soil - altogether a fine property’.¹⁷ A visiting reporter described him as ‘a practical farmer’ whose ‘splendid land’ could not ‘be excelled in the district’. Since its purchase he had spent ‘over £1,500 in draining a very deep swamp’ making other improvements, and ‘the luxuriant grass’ had ‘grown within the past year on land which 12 months ago was fully six feet under water’. There were ‘about 300 head of young cattle’, which appeared ‘to be thriving famously’, and he was building a large sheep barn. ‘He entertains a very high opinion of the quality of his land and believes it to be fully equal to that of Southbridge, the most prosperous agricultural district in Canterbury’.¹⁸ From 1880 onwards he ran sheep, the largest number recorded being 2,000 in May 1886; in that year he sent 40 bales of wool to the London market.¹⁹ In 1882, his 150 acres in wheat were ‘highly spoken of by the settlers as the finest which has ever been seen in that part of the district’.²⁰ He also grew 350 acres of oats in 1883 and 200 in 1886.²¹ His grain crops were sent to Auckland.²²

In January 1884, the *Te Aroha News* described Smith as ‘the model farmer of the district’ whose land was kept in ‘excellent order’. Using the ‘nice nest egg’ of his Southbridge property, it would be ‘surprising’ if his ‘energy did not make a charming spot’ of his property.

The Waitoa homestead is a verandahed villa; some little distance away are the stable, stock yard, etc, all kept in excellent order. Nearby is the orchard, which includes a fine strawberry patch, from which last season’s splendid fruit was taken by the hundredweight. About 350 acres are in crop, the greater portion

¹⁶ *Te Aroha News*, 13 September 1884, p. 2.

¹⁷ *Descriptive Handbook to the Waikato* (Hamilton, 1880), p. 75.

¹⁸ Own Reporter, ‘Tour in the Aroha, Waitoa, and Piako Districts’, *Thames Advertiser*, 3 July 1880, p. 4.

¹⁹ *AJHR*, 1883, H-19, p. 10; 1884, H-19, p. 10; 1885, H-11, p. 9; 1886, H-8, p. 9; 1887, H-15, p. 9; *Te Aroha News*, 1 January 1887, p. 2; *New Zealand Gazette*, 20 November 1888, p. 1219.

²⁰ *Waikato Times*, 19 December 1882, p. 2.

²¹ *Te Aroha News*, 29 December 1883, p. 7; *Waikato Times*, 26 October 1886, p. 2; see also *Te Aroha News*, 12 January 1884, p. 2.

²² *Thames Advertiser*, 3 April 1885, p. 2.

of the remainder of the farm being in well-grassed paddocks. A very small proportion of the area is still in a state of nature. Prior to last season Mr Smith, in common with other farmers in the block, had gone in extensively for cattle raising, but the business was quite overdone, indeed some of the settlers lost pretty heavily in stock. Mr Smith for instance purchased steers at £3 10s and was forced after keeping them for eight months to lose 30s a-head on them. To Mr Smith belongs the credit of discovering that cropping will pay admirably in this district - a matter concerning which there had hitherto been no little doubt. Last year he planted 100 acres in wheat, and obtained the exceptionally good yield of 37 bushels per acre. The wheat fetched 4s 6d per bushel - then the top price for local wheat in the Auckland market. And this in spite of an extremely dry season. The land had been sweetened with superphosphate manure applied at the rate of 1 1/2cwt to the acre. The profit on that 100 acres of wheat was just £500. Last spring, Mr Smith foreseeing that the progress of the Te Aroha goldfield would create a large local demand for chaff, put 330 acres in oats, and only some 40 or 50 acres in wheat. The oats have come on splendidly.... This crop is estimated to be worth 40 bushels to the acre.... Mr Smith has 120 acres in swedes, this season, and he finds they do well in the rich black loam of the swamp land.... A considerable portion of Mr Smith's land, in its primeval state, was covered with ti-tree and a portion of it has cost 10s per acre to clear.²³

In July, he had 20 tons of 'prime carrots' for sale,²⁴ and two month later a detailed article described his work during the past six years and encouraged others to follow his example and adopt his methods:

At the time of his entering on it, about half the land was in swamp. This has since been drained and sown down to grass with the exception of some couple of hundred acres, which it is intended to burn and treat in a similar manner this summer. About 400 acres of the dry land have been well laid down in permanent pasture; of the balance, about 50 acres now form plantations, etc, adding greatly to the appearance to the place. About 20 acres have been set aside for potatoes and roots; 400 acres are under wheat; 100 acres being winter wheat, sown last June, and which now looks very promising with well-developed plant, and 300 acres spring wheat just sown. On a portion of this land two previous crops have been reaped, making the present the third successful white crop. Mr Smith goes in for thorough

²³ *Te Aroha News*, 19 January 1884, p. 2.

²⁴ *Te Aroha News*, 19 July 1884, p. 7.

working and stirring of the soil, as experience, extending over some years, has proved to his entire satisfaction that *thorough cultivation pays* the farmer, and does away with the necessity of many tons of artificial manure on land not many years in cultivation. We may here state that Mr Smith purposes feeding off all his wheat when about 6 inches high, in order to consolidate the land and cause the plant to “stool.” Much of the 300 acres of land just sown into spring wheat was under high ti-tree so recently as last November, when it was cleared for [the] first time, ploughed up, and sown into swedes in December, which were fed off by cattle during the winter. Now on ploughing for the second time it has become quite friable and easy to work and the wheat has gone in in first-class order. 100 acres sown into oats which looked very healthy, nine months ago was all swamp and ti-tree.... Up to the present time Mr Smith has not gone in for sheep or dairy farming at all, but buys all his stock and fattens off the grass. The land has all been broken up with double furrow ploughs.... Mr Smith is a large employer of labour, and keeps regularly at work not less than three 3-horse teams and one 4-horse [one].... Since starting to crop he had steadily increased the area brought under cultivation each year, because he finds it the best course with regard to financial results.... Mr Smith cuts up a large quantity of chaff yearly.²⁵... Mr Smith considers the custom of cutting down *all* ti-tree when clearing a great mistake, and always leaves some small patches standing, and has found his stock thrive much better through having this shelter to resort to from the cold and wet in winter, and from the heat and flies in summer.²⁶

As well as leaving some of the manuka, he also planted shelter trees.²⁷ When a company failed to supply a potato cutter and planter at the agreed time he sought £100 damages because late planting meant he obtained only about one ton to the acre instead of the usual six.²⁸ During 1885 and 1886 more drains were dug.²⁹ In 1887 a journalist admired ‘the plantations, comfortable homestead, and well-grassed paddocks’.³⁰ In that year he had

²⁵ See also *Auckland Weekly News*, 8 December 1883, p. 20.

²⁶ *Te Aroha News*, 13 September 1884, p. 2.

²⁷ *Te Aroha News*, 26 March 1887, p. 2.

²⁸ Magistrate’s Court, *Te Aroha News*, 6 December 1884, p. 7.

²⁹ *Te Aroha News*, 24 October 1885, p. 2, 12 June 1886, p. 3.

³⁰ Special Reporter, ‘The Matamata Estates’, *Auckland Weekly News*, 23 July 1887, p. 8.

700 ewes, 10 rams, 15 horses, 7 cattle, and 17 pigs, all in good condition, and a 'large and varied' collection of farm machinery and implements.³¹

Smith was elected a provisional director of the North New Zealand Farmers' Co-operative Association in March 1884.³² In December the following year, he held 120 of its 20,000 shares.³³ In October 1884, when he chaired a Waitoa meeting to consider establishing a cheese factory, he offered to assist with canvassing the district, and promised 40 gallons daily.³⁴ At a subsequent meeting, which he also chaired, he stated that 'if necessary' he could provide 200 gallons daily, and was elected chairman of the provisional directorate of the proposed Waihou Cheese and Bacon Factory.³⁵ Although two months later he was reportedly canvassing for shareholders successfully,³⁶ a factory was not formed.

In May 1881, when aged 22, Smith married Caroline Seddon, two years his senior.³⁷ This resulted in a business relationship with his brother-in-law, Samuel Seddon,³⁸ with whom he owned butcher's shops in Te Aroha and Waiorongomai until selling the latter in June 1884 and the former in August 1885.³⁹ With Edwin Graham⁴⁰ he owned a store at Waihou until the partnership was dissolved in April 1885, leaving him as sole owner.⁴¹

³¹ *Te Aroha News*, 12 November 1887, p. 3, 19 November 1887, pp. 2, 3.

³² *Waikato Times*, 11 March 1884, p. 2.

³³ Company Files, BADZ 5181, box 46 no. 295, ANZ-A.

³⁴ *Waikato Times*, 16 October 1884, p. 2; *Te Aroha News*, 25 October 1884, p. 2.

³⁵ *Te Aroha News*, 21 February 1885, p. 2.

³⁶ *Te Aroha News*, 11 April 1885, p. 2.

³⁷ Notices of Intentions to Marry, Births Deaths and Marriages, BDM, 20/26, p. 285, ANZ-W.

³⁸ See *Waikato Times*, District Court, 21 September 1878, p. 2, District Court, 26 September 1878, p. 2, 5 February 1880, p. 2, advertisement, 22 July 1882, p. 3; Magistrate's Court, *Te Aroha News*, 22 August 1885, p. 2; entry for Samuel Thomas Seddon, *Cyclopedia of New Zealand*, vol. 2, p. 741; probate of Samuel Seddon, BBAE 1569/2114, ANZ-A.

³⁹ Te Aroha Magistrate's Court, Criminal Record Book 1881-1896, 37/1884, BCDG 11220/1a, ANZ-A; *Te Aroha News*, Police Court, 5 April 1884, p. 2, 28 June 1884, p. 7, 5 July 1884, p. 2, 29 August 1885, p. 2; *Mercantile and Bankruptcy Gazette of New Zealand*, 28 February 1885, p. 67.

⁴⁰ His life has not been traced.

⁴¹ *Te Aroha News*, 22 August 1885, p. 7; *Mercantile and Bankruptcy Gazette of New Zealand*, 28 September 1885, p. 328.

He could afford to buy his bride furniture ‘in first-class style’, and although the farmhouse burned down on his wedding night, it was insured for £500,⁴² and within three weeks he accepted a tender of £547 to erect a six-roomed house.⁴³ Its furnishings were in ‘really excellent condition’ and included a ‘first class piano’.⁴⁴ He employed farm workers and provided his wife with a nurse girl and a general servant.⁴⁵ In 1887, although there was a mortgage over both his Southbridge and Waitoa properties, the financial manager of a Christchurch legal firm considered ‘there was a very good margin’; but in the following year he did not know whether Smith was ‘in a good financial position’.⁴⁶

INVOLVEMENT IN THE COMMUNITY

Smith was a prominent local sportsman. In February 1880, he captained the Waitoa cricket team against Thames, and three months later was elected captain of the first football club.⁴⁷ He was regarded as one of the best players of both sports, and continued to play cricket for several teams during the 1880s.⁴⁸ In 1884 he offered a bat to the highest scorer and a ball to the best average bowler in the coming season of the Te Aroha club.⁴⁹ He was a steward and vice-president of the Te Aroha Jockey Club.⁵⁰

In January 1883 he was elected to the Waitoa school committee,⁵¹ and in March 1884 was elected to the Waitoa Road Board.⁵² Within three days of announcing he would stand in the August 1884 by-election for the Te Aroha Riding of the Piako County Council he withdrew his nomination, but

⁴² *Thames Advertiser*, 6 June 1881, p. 3.

⁴³ *Waikato Times*, 4 June 1881, p. 3, 23 June 1881, p. 2.

⁴⁴ *Te Aroha News*, 19 November 1887, pp. 2, 3.

⁴⁵ For example, *Waikato Times*, 5 October 1882, p. 3, advertisements, *Te Aroha News*, 4 July 1885, p. 7, 19 June 1886, p. 3.

⁴⁶ *Press* (Christchurch), 13 October 1888, p. 6.

⁴⁷ *Thames Star*, 13 February 1880, p. 2; *Waikato Times*, 26 February 1880, p. 3, 27 May 1880, p. 2; *Thames Advertiser*, 2 June 1880, p. 3.

⁴⁸ *Waikato Times*, 19 March 1881, p. 2, 4 April 1882, p. 2, 23 February 1884, p. 2, 25 March 1884, p. 2; *Te Aroha News*, 26 January 1884, p. 7, 25 December 1886, p. 2.

⁴⁹ *Te Aroha News*, 1 November 1884, p. 2.

⁵⁰ *Waikato Times*, 1 March 1883, p. 2; *Te Aroha News*, 8 September 1883, p. 2.

⁵¹ *Waikato Times*, 25 January 1883, p. 3.

⁵² *Te Aroha News*, 31 May 1884, p. 7.

was elected unopposed for the Waitoa Riding in November.⁵³ He was re-elected unopposed three years later (despite controversy over his gold find).⁵⁴ In February 1885, he was elected to the Waitoa licensing committee,⁵⁵ and later that month stood as a temperance candidate for the Te Aroha one, topping the poll and being elected chairman.⁵⁶ He was re-elected, unopposed, to the Waitoa committee in 1886.⁵⁷ In 1887 he was appointed a trustee for the Te Aroha cemetery.⁵⁸

In March 1885 he donated £50 to the domain board ‘as a thank-offering’ for the cure of one of his sons, probably the elder, who had ‘suffered greatly, almost from birth’, but through ‘the use of the waters’ was now ‘enjoying excellent health’.⁵⁹ A leading Anglican, as early as 1880 he was a churchwarden at Waihou.⁶⁰

INVOLVEMENT IN MINING

Smith took out a miner’s right on the opening day of the Te Aroha goldfield.⁶¹ A member of the Waitoa Prospecting Association and a director of the subsequent company, he also had shares in the Aroha Company, the Te Aroha Quartz Crushing Company (of which he was a director), and the Rose, Thistle and Shamrock claim.⁶² Between November 1881 and May

⁵³ *Waikato Times*, 9 August 1884, p. 3, 12 August 1884, p. 3; *Te Aroha News*, 8 November 1884, p. 2.

⁵⁴ *Te Aroha News*, 12 November 1887, p. 2.

⁵⁵ *Waikato Times*, 17 February 1885, p. 2.

⁵⁶ *Thames Advertiser*, 25 February 1885, p. 3, 28 February 1885, p. 3; *Te Aroha News*, 28 February 1885, p. 2.

⁵⁷ *Waikato Times*, 16 February 1886, p. 2.

⁵⁸ *New Zealand Gazette*, 3 March 1887, p. 303.

⁵⁹ *Te Aroha News*, 28 March 1885, p. 2; *Waikato Times*, 31 March 1885, p. 3; Birth Certificate of John Lionel Smith, 24 April 1882, Births, 1882/5957; Birth Certificate of Bellefield Seddon Smith, 27 January 1884, 1884/1356, BDM.

⁶⁰ *Diary of E.R. Chudleigh*, ed. E.C. Richards (Christchurch, 1950), p. 290; *Church Gazette*, March 1885, p. 22.

⁶¹ Te Aroha Warden’s Court, Miner’s Right no. 501, issued 25 November 1880, Miners’ Rights Butt Book 1880, BBAV 11533/1d, ANZ-A.

⁶² *Thames Star*, 7 January 1881, p. 2; *New Zealand Gazette*, 30 December 1880, p. 1796, 28 April 1881, p. 476; Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888,

1882, he acquired shares in six Waiorongomai claims and was elected a director of the Waitoki Company.⁶³ In 1885 he was warned that his 100 shares in the Colonist Company would be forfeited if calls were not paid.⁶⁴ In 1886 he purchased two of the 14 shares in the Success for £40,⁶⁵ and in November 1887 was sued by James Goard, a miner,⁶⁶ for wages amounting to £100; he acknowledged a debt of £30, which Goard accepted.⁶⁷

In January 1887, Smith applied for 20 acres near the Premier mine, claiming he would spend £20,000 driving a tunnel on the reef and connecting his mine with the tramway.⁶⁸ The *Te Aroha News* praised his enterprise, describing him as a ‘colonist of the right stamp, who has spent much money’ improving his farm.⁶⁹ It appears that he was a dummy for Peter Ferguson,⁷⁰ who a month later applied for this ground to be included in his claim, for in March Smith withdrew his application to enable this to happen.⁷¹

SMITH’S FIND

folio 228, BBAV 11567/1a; Company Files, BBAE 10286/7d, ANZ-A; *Thames Star*, 7 February 1881, p. 2, 4 March 1881, p. 2.

⁶³ Te Aroha Warden’s Court, Register of Licensed Holdings 1881-1887, folios 6, 8, 14, BBAV 11500/9a, ANZ-A; *New Zealand Gazette*, 23 March 1882, p. 490, 27 April 1882, p. 647, 15 May 1882, p. 728, 13 July 1882, p. 961, 16 November 1882, p. 1733; Company Files, BBAE 10286/10a, ANZ-A.

⁶⁴ *Te Aroha News*, 1 August 1885, p. 7.

⁶⁵ Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888, folio 139, BBAV 11567/1a; Certified Instruments 1886, BBAV 11581/7a, ANZ-A.

⁶⁶ See *Te Aroha News*, 24 August 1889, p. 2, 27 April 1895, p. 2; *Waikato Times*, 28 April 1892, p. 3.

⁶⁷ Te Aroha Magistrate’s Court, Civil Record Book 1884-1889, 38/1887, heard on 22 November 1887 and 6 December 1887, BCDG 11221/1b, ANZ-A; Magistrate’s Court, *Te Aroha News*, 26 November 1887, p. 3.

⁶⁸ Te Aroha Warden’s Court, Register of Applications 1883-1900, folio 20, hearing of 8 January 1887, BBAV 11505/1a, ANZ-A; *Waikato Times*, 29 January 1887, p. 3.

⁶⁹ Editorial, *Te Aroha News*, 15 January 1887, p. 2.

⁷⁰ See paper on Peter Ferguson and his New Era.

⁷¹ Peter Ferguson to Warden, 8 February 1887, Te Aroha Warden’s Court, Mining Applications 1887, BBAV 11582/3a; Register of Applications 1883-1900, folio 20, BBAV 11505/1a, ANZ-A.

The first 'find' in the Waitoa district was in early 1884, when a veterinarian discovered an outcrop in the river which he imagined to contain gold.⁷² Whether this encouraged Smith to prospect his land is not known, but a neighbour's son recalled him digging for gold, having 'a deep conviction that there was gold on his farm'.⁷³ Late in 1886, as he later explained, he made a discovery 'in a very peculiar manner'. When sinking a well, he 'came to a deposit of sand, in which he saw some glittering particles intermixed with black sand. Without being an expert in gold-mining matters he had enough knowledge to come to the conclusion that he had come on gold-bearing sand'.⁷⁴ On 28 December, he sent to Frater Bros, a leading firm of stockbrokers and mining agents,⁷⁵ a 'small package' of samples taken from what he described as a 'most peculiar reefy formation of pumice, etc, and which is traceable for some distance through a portion of my farm'.⁷⁶ On 10 January, James Alexander Pond, the Colonial Analyst in Auckland,⁷⁷ received from Frater Bros what he described as 'a small envelope, which had evidently come by post, containing about two ounces of sandy matter', along with a request that he provide a report on it. He was not told who had sent the parcel, where the sand had been found, nor that it had been concentrated using a dish.⁷⁸ Pond reported to Frater Bros on 22 January:

Gentlemen,- I duly received from you on the 10th inst a sample of powdered ore or sand for assay. Herewith I forward the result:- Bullion, 22oz 7dwt 12gr per ton, containing gold, 17oz 19dwt 8gr per ton, and silver, 4oz 8dwt 4gr per ton. I need hardly add that in the event of there being any large extent of this material, it

⁷² *Waikato Times*, 14 February 1884, p. 2.

⁷³ Sir James Parr, 'Two Hemispheres: My Life' (typescript, 1934), p. 13, in possession of Christopher Parr, Remuera, Auckland.

⁷⁴ *Weekly Press*, 7 October 1887, reprinted in *Waikato Times*, 13 October 1887, p. 2.

⁷⁵ For the firm, see *Descriptive Handbook to the Waikato* (Hamilton, 1880), p. 79; *Thames Advertiser*, 23 October 1888, p. 2; *Cyclopedia of New Zealand*, vol. 2, p. 878; for James Frater, see *New Zealand Herald*, 30 August 1897, p. 5; for John Frater, see *New Zealand Herald*, 27 September 1927, p. 10; for Robert Frater, see *New Zealand Herald*, 7 May 1927, p. 8; for William Frater, see *Te Aroha News*, 13 October 1883, p. 2.

⁷⁶ J.B. Smith to Frater Bros, 28 December 1886, printed in *Auckland Star*, 21 October 1887, p. 5.

⁷⁷ See paper on his life.

⁷⁸ *New Zealand Herald*, 24 October 1887, p. 5.

will prove a very valuable find, the value of the sample, according to the above assay, being £72 15s 6d per ton, estimating the gold at £4 and silver at 4s per oz. The gold is in fine water-worn grains, intermingled with magnetic and titanitic iron throughout the quartz and pumaceous drift. Care will be required in saving the gold, owing to the fine particles in which some of it is divided.⁷⁹

This encouraging report was later published, but Smith and his syndicate did not publish Pond's second assay, made on 15 February, which produced only 19dwt 14gr of silver, and 'a trace' of gold too small to be measured. Pond appended a note, also not made public, that 'the small amount of silver present will not suffice to make this stone of any value for working'.⁸⁰

Other tests were more encouraging than Pond's second one. George Wilson, the mining inspector,⁸¹ visited on 4 March, when several bags were being filled to send to George Fraser, of the Phoenix Foundry in Auckland.⁸² Wilson's three samples, from boulders, contained only a trace of gold, but when assayed by Henry Hopper Adams⁸³ at the Waiorongomai battery produced 5oz of bullion worth £18 1s 9d, 2oz 18dwt worth £6 13s 6d, and 12dwt worth £1 16s 6d.⁸⁴ Another assay by Adams produced 2oz 14dwt of bullion valued at £9 13s.⁸⁵ The 'encouraging results' of Adams' first assays prompted Smith to send half a ton of sands to Auckland 'for special treatment' at Fraser's new plant, which produced an average return of £1 14s.⁸⁶ It contained a very different amount of silver compared with that

⁷⁹ J.A. Pond to Frater Bros, 22 January 1887, printed in *New Zealand Herald*, 21 October 1887, p. 5; reproduced slightly differently in *Auckland Star*, 21 October 1887, p. 5.

⁸⁰ J.A. Pond, report dated 15 February 1887, printed in *New Zealand Herald*, 24 October 1887, p. 5.

⁸¹ See paper on his life.

⁸² See paper on Peter Ferguson and his New Era.

⁸³ See paper on his life.

⁸⁴ George Wilson to J.B. Smith, 16 March 1887, printed in *Waikato Times*, 19 April 1887, p. 2; H.A. Gordon to Minister of Mines, 5 May 1887, *AJHR*, 1887, C-5, p. 31.

⁸⁵ H.H. Adams to J.B. Smith, 23 March 1887, printed in *Waikato Times*, 19 April 1887, p. 2.

⁸⁶ *Waikato Times*, 22 March 1887, p. 3; George Fraser, Jr., interviewed in *Auckland Star*, 13 October 1887, p. 5.

obtained by Pond in January: 10dwt gold to 9oz 14dwt 4gr silver, the total value per ton being £3 18s 4d.⁸⁷

Adams visited the find in early April, along with an amalgamator and a leading mine manager, all of whom were 'understood to have been favourably impressed as to probable importance of the discovery'. Adams obtained only from 4 to 8dwt per ton from his samples.⁸⁸ Fraser explained these patchy results on 'the stuff being in small boulders', and was unsure whether the samples were representative.⁸⁹

At the beginning of March, the *Te Aroha News* reported a rumour of gold being found on a nearby farm. 'A great deal of mystery' existed, for the find was 'a close secret; some say it is alluvial, some that a reef has been found; whilst the impression of some who appear to know something about it is that the supposed discovery will be found to be simply a mare's nest'.⁹⁰ In mid-March, it reported a 'promising discovery' on Smith's land of 'possibly a very valuable deposit'.⁹¹ Prominent local miners who inspected this find were 'very favourably impressed'.⁹² By April, Smith was inviting people to inspect the workings, being 'glad to impart to visitors any information they may require'.⁹³

A CURIOUS PLACE TO FIND GOLD

As always when a new find was announced, there was intense public interest, heightened in this case by its being in an unexpected place. Pond considered that if gold was found it would be 'very interesting and extraordinary'.⁹⁴ The *Waikato Times* described the find as being on a low hillock about 30 or 40 feet above the plain, 'not what old miners would call a likely place for gold'.⁹⁵ The only outcrop of solid rock, at the northern end of

⁸⁷ George Fraser and Sons to J.B. Smith, 18 March 1887, printed in *Waikato Times*, 19 April 1887, p. 2.

⁸⁸ *Waikato Times*, 12 April 1887, p. 3.

⁸⁹ *New Zealand Herald*, 13 September 1887, p. 5.

⁹⁰ *Te Aroha News*, 5 March 1887, p. 2.

⁹¹ Editorial, *Te Aroha News*, 19 March 1887, p. 2.

⁹² *Te Aroha News*, 9 April 1887, p. 2.

⁹³ *Waikato Times*, 12 April 1887, p. 3.

⁹⁴ *Te Aroha News*, 23 April 1887, p. 2.

⁹⁵ *Waikato Times*, 12 April 1887, p. 3.

the farm, was eight yards by three and surrounded by sands and clays.⁹⁶ Wilson noted 'large boulders of a sort of conglomerate drift, mixed with small crystals near the surface'.⁹⁷ Later, under the headline 'The New Eldorado',⁹⁸ the *Waikato Times* reprinted a Christchurch newspaper's description of the site:

Strange to say, the locality does not present outwardly the slightest indication of gold, being simply an ordinary farm, and both the manner of the discovery of the richness of the soil and the character of the gold-bearing stuff have a spice of romance about them, though the results are practical enough. The section is situated on a kind of terrace running down towards a swamp, and at the foot of a terrace is a creek. Beyond this creek is the Waitoa river, and between the creek and the river is more swamp. The only peculiarity about the locality is that it is a long series of low hummocks, some 80ft high, running through the farm. As giving an idea of the unlikely character of the country for gold-bearing, on one of the ridges in which a shaft was put down a very fine crop of turnips was growing.⁹⁹

The *New Zealand Herald* agreed the site was an unlikely one, and noted that no gold was 'visible in picked stone or specimens'.

The only picked stone is a piece of cement or concrete formation with no gold showing, and the specimen mud is certainly not calculated to fill the inquirer after gold with any special enthusiasm. On examination of the locality one is inclined to say: Give me an auriferous acre on the Thames or Coromandel goldfield rather than a whole country of this stuff. But, stay, critic! This is a land of surprises, and we are not dealing with matter which geologists have been used to, or which miners have operated on with pick and shovel, cradle and dish, from time immemorial. We are brought to consider the value of a deposit, not in the form of a vertical reef a few feet wide, nor a horizontal seam giving six inches of wash dirt, but a so-called "auriferous deposit," filling enormous valleys, yards in depth and square

⁹⁶ Report by F.W. Hutton, 6 July 1887, printed in *Waikato Times*, 23 July 1887, Supplement, p. 2.

⁹⁷ Report by George Wilson, 19 April 1887, printed in *Reports Upon the Auriferous Deposit on the Property of J.B. Smith, Esq., Waihou, Auckland* (Christchurch, 1887), pp. 7-8.

⁹⁸ *Waikato Times*, 13 October 1887, p. 2.

⁹⁹ *Weekly Press*, 7 October 1887, reprinted in *Waikato Times*, 13 October 1887, p. 2.

miles of superficial area extending from Huntly to Patetere [a district centred on Lichfield]....

SMITH'S GOLDFIELD.

Mr Smith's property consists of about 2000 acres of this auriferous dirt, and, if payable, is consequently a goldfield in itself. It is situated to the south-west of Te Aroha, distant some 6 or 8 miles. The residence is flanked with a plantation of well-grown trees, and is situated on moderately high land. From this eminence there is a long stretch of ground running about S.E. and N.W., with a gentle slope towards the N.E., terminating in a flat which extends to Te Aroha. This slightly elevated ground falls gradually away to flat land on either side, which is of a somewhat similar character, judging from the strata turned up by drains having been dug throughout the district. With the exception of the deposit being in some places coarser and darker in colour, there is not much difference in appearance, and as regards value, owners of land with the coarse deposit declare it to contain coarser gold. The shafts sunk by Mr Smith are on the higher ground referred to, and there is not so much water in the formation. The pumiceous quartz sand is of a closer and finer nature than the deposit obtained on the flats. In proximity to the last shaft sunk there are several boulders or hard dykes exposed which resemble concrete. The component parts are, however, similar to that taken out of the shaft. The depth of the deposit has not yet been determined, as bottom has not been reached.¹⁰⁰

How gold was deposited there puzzled everyone. 'Experienced miners used to treating stuff of a somewhat similar character' who inspected the first samples displayed in Auckland wondered if it had 'been deposited on the plain by volcanic action, or carried down from the mountains' by a large river. 'Should the gold be found in "gutters," as in the old dried up beds of rivers in Australia, the deposit will be found lighter near the surface, but much richer at a greater depth'.¹⁰¹ The most popular explanation was that the Waikato River had deposited the sands before its path altered.¹⁰² Henry Andrew Gordon, the Inspecting Engineer for the Mines Department, wrote that layers of volcanic mud had been deposited nearer to Matamata at different times 'in thin layers, as by the action of water'. On Smith's property this mud was more homogeneous rather than stratified, and shafts revealed the depth of the deposit varied considerably. In places on the surface the mud was 'formed into rhyolitic brecciated rock', from which

¹⁰⁰ *New Zealand Herald*, 29 September 1887, p. 6.

¹⁰¹ *Auckland Star*, 14 September 1887, p. 5.

¹⁰² *New Zealand Herald*, 29 September 1887, p. 6.

several assays produced gold, silver, and copper.¹⁰³ Because of a layer of peat some 14 feet below the surface, he believed that ‘at some distant period the sand deposit was ejected, just as was the case in the neighbourhood of Tarawera’. It was ‘very extensive’ and ‘of a distinctly volcanic nature, carrying quartz in a crystalline state’.¹⁰⁴ Wilson considered that, because the quartz was in crystals and not water-worn, it had been ejected from a volcano to the south of Waitoa.¹⁰⁵

Some believed the find proved ‘a theory long recognised by the Geological Department’ that gold ‘might be found in the bed of ancient hot springs, which in remote times brought up gold from some volcano from a crushed reef beneath, and spread it through the crust which it formed, which hardened as the spring subsided, and held the gold within its own substance’.¹⁰⁶ Algernon Thomas, Professor of Biology and Geology at Auckland University College,¹⁰⁷ believed the sands came from the gradual disintegration of the Te Aroha reefs; the sands he tested resembled crushed quartz from the New Find mine.¹⁰⁸ Frederick Douglas Brown, Professor of Chemistry and Experimental Physics at the same college,¹⁰⁹ agreed that any gold came from the ranges, not a volcano.¹¹⁰ The Wellington geologist Sir James Hector¹¹¹ described the samples he tested as ‘a light felspar sand, in which occurs a heavy sand of quartz, mica, titanitic iron, and gold’. As none of the minerals were water-worn, he thought it ‘not improbable that there is here the outcrop of a wide reef that has been decomposed in situ, and all the sulphides having been removed, has left the gold in a free state’.¹¹² He believed the bullion ‘probably’ came from ‘a local deposit of

¹⁰³ H.A. Gordon to Minister of Mines, 5 May 1887, *AJHR*, 1887, C-5, p. 31.

¹⁰⁴ *Waikato Times*, 19 April 1887, p. 2.

¹⁰⁵ Report by George Wilson, 19 April 1887, printed in *Reports Upon the Auriferous Deposit*, pp. 7-9.

¹⁰⁶ *Press*, n.d., reprinted in *Auckland Star*, 13 September 1887, p. 5; *Waikato Times*, 15 September 1887, p. 2.

¹⁰⁷ See *Cyclopedia of New Zealand*, vol. 2, p. 199.

¹⁰⁸ *New Zealand Herald*, 13 October 1887, p. 5, 15 October 1887, p. 5.

¹⁰⁹ See *Cyclopedia of New Zealand*, vol. 2, pp. 198-199.

¹¹⁰ *New Zealand Herald*, 17 October 1887, p. 6.

¹¹¹ See R.I.M. Burnett, ‘The Life and Work of Sir James Hector’ (MA thesis, University of Otago, 1936); S.H. Jenkinson, *New Zealanders and Science* (Wellington, 1940), pp. 48-59.

¹¹² *Waikato Times*, 2 August 1887, p. 2.

decomposed drift which originally contained fragments of auriferous quartz'.¹¹³

Of particular importance were the views of Professor Frederick Wollaston Hutton of Canterbury University College, who had inspected the early Thames goldfield.¹¹⁴ He had been Provincial Geologist in Otago during the 1870s and then curator of the Canterbury Museum, a professor of biology, and a lecturer in geology.¹¹⁵ Described by one historian as 'a dilettante geologist' without any professional training, he was really an expert in zoology and biology.¹¹⁶ He believed the beds of fine sands and pumice clays had been 'deposited in still water, probably on the shores of a lake'.¹¹⁷ When one Waitoa resident believed the sands had been distributed by 'heavy currents of air', the *Auckland Star* considered his theory accounted 'for the large amount of "blow" ' [boasting]¹¹⁸ about the find.¹¹⁹

This debate about whether the gold was deposited by volcanic action or carried down by water was not merely academic, for the formation of the deposit determined how to work it.¹²⁰ Different tests producing somewhat different characteristics and values; in particular, whereas the first sample

¹¹³ Memorandum by James Hector, 18 May 1887, Mines Department, MD 1, 87/1150, ANZ-W.

¹¹⁴ Report by F.W. Hutton, 17 September 1867, printed in *Auckland Provincial Government Gazette*, 7 November 1867, pp. 450-453.

¹¹⁵ *Cyclopedia of New Zealand*, vol. 3, p. 166; *New Zealand Illustrated Magazine*, vol. 6 no. 5 (August 1902), pp. 323-324; J.D. Campbell, 'F.W. Hutton: The Auckland Years, 1866-1871', *Geological Society of New Zealand Newsletter*, no. 64, p. 26; Jenkinson, pp. 21-22, 60-69; Elliot W. Dawson, *F.W. Hutton (1836-1905): Pioneer New Zealand Naturalist: A bibliography & taxonomic analysis* (Eastbourne, 1994), pp. 7-16; H.N. Parton, 'Frederick Wollaston Hutton', *Dictionary of New Zealand Biography: vol. 2: 1870-1900* (Wellington, 1993), pp. 238-239; Ross Galbraith, *Scholars and Gentlemen Both: G.M. and Allan Thomson in New Zealand Science and Education* (Wellington, 2002), pp. 61-66, 122, 153; Bernard Burke, *A Genealogical and Heraldic History of the Colonial Gentry* (London, 1891-5, reprinted in Baltimore, 1970), pp. 526-528.

¹¹⁶ A.G. Hocken, *Geology at the University of Otago: The first 100 years* (Dunedin, 2003), pp. 15-16.

¹¹⁷ Report by F.W. Hutton, 6 July 1887, printed in *Waikato Times*, 23 July 1887, Supplement, p. 2.

¹¹⁸ Jonathon Green, *The Cassell Dictionary of Slang* (London, 1998), p. 110.

¹¹⁹ *Auckland Star*, 24 October 1887, p. 5.

¹²⁰ *Auckland Star*, 14 September 1887, p. 5.

tested by Pond was water-worn, Wilson and Hector found crystals unaffected by water.¹²¹

PROSPECTS

Wilson noted that Pond's first test produced 'an extraordinary valuable result' and if the drifts were payable 'a vast extent of gold field will be opened up'.¹²² Smith was 'very sanguine' about success, for in the first 'four or five' shafts the sands were of about the same quality. When going to Christchurch to raise capital, he would have samples tested in Wellington; he also talked of sending a large parcel to be treated in Europe. He provided details of all tests apart from Pond's second, much less encouraging, one.¹²³

When Gordon accompanied William Larnach, the Minister of Mines, to inspect the discovery in mid-April, he urged Smith to send samples to America, Wales, and Germany, and took some to test in Wellington.¹²⁴ His annual report, dated 5 May, gave details of tests with very erratic values. Samples sent to the School of Mines in Thames were as unpromising as Pond's second test (which Gordon did not include because it had not been made public by Smith). Gordon reported one giving 'only a trace' of gold, which the assay book recorded more precisely as 'Bullion: nil: *Strong trace* of gold'; a second gave 2dwt 12gr of gold and 2dwt 3gr of silver.¹²⁵ Two samples tested by Adams gave bullion valued at £1 13s and £1 0s 8d. One ton tested in a berdan at the Waiorongomai battery produced bullion worth only 12s. Gordon explained that examining the deposit was difficult:

Nothing can be seen, even with a good microscope, that would lead to a supposition of its containing any gold or silver beyond a trace; but the precious metals are now found in so many forms and situations that it is very difficult to say what formation

¹²¹ J.A. Pond to Frater Bros, 22 January 1887, printed in *New Zealand Herald*, 21 October 1887, p. 5; report by George Wilson, 19 April 1887, printed in *Reports Upon the Auriferous Deposit*, pp. 7-8; *Waikato Times*, 2 August 1887, p. 2.

¹²² Report by George Wilson, 19 April 1887, printed in *Reports Upon the Auriferous Deposit*, pp. 7-8.

¹²³ *Waikato Times*, 19 April 1887, p. 2.

¹²⁴ *Te Aroha News*, 16 April 1887, p. 3.

¹²⁵ H.A. Gordon to Minister of Mines, 5 May 1887, *AJHR*, 1887, C-5, p. 31; Thames School of Mines, Assay Book no. 11, 1886-1887 [no pagination or dates], School of Mines Archives, Thames.

contains these metals and what does not. Judging by the appearance of this deposit, I should not anticipate any rich finds being got, and it is very questionable if any of it will pay by the ordinary method of treatment. Getting assays made of ore, and manipulating the ore on a large scale, are entirely different things where the ore is refractory. The present methods of treatment used in the colony will not give an average of more than 33 per cent of the metals contained in the ore, and it is even very questionable if this percentage is obtained on the whole.¹²⁶

These cautionary words were not heeded; one Christchurch newspaper believed the assays indicated the find would be 'one of the most important gold discoveries yet made in the colony'.¹²⁷

Although Smith told one journalist in October that the 'average samples' tested by Hector produced values of £40, £16, and £12, in May Hector had reported that none contained either silver or gold; the fifth was ironstone and the remainder were silts, quartz and pumice.¹²⁸ 'Further complete analysis' revealed 3dwt 16gr of gold in sample No. 1 and 'minute traces of gold' in Nos. 2 and 4.¹²⁹ Smith, confused by these poor results, informed Larnach that earlier samples taken from the same ridge had been more than payable: 'I feel anxious about result from the above two samples, for it is strange that they are the only average ones of many which have been taken out'.¹³⁰ Tests made by Hutton and Alexander William Bickerton gave values of from £11 to £20.¹³¹ Bickerton, Professor of Chemistry and Physics at Canterbury University College, who had been educated at the London School of Mines,¹³² did most of the assaying. As both men predicted a payable goldfield and Hutton planned to visit it, Smith 'put on several men

¹²⁶ H.A. Gordon to Minister of Mines, 5 May 1887, *AJHR*, 1887, C-5, p. 31.

¹²⁷ *Weekly Press*, 7 October 1887, reprinted in *Waikato Times*, 13 October 1887, p. 2.

¹²⁸ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5; Memorandum by James Hector, 11 May 1887, Mines Department, MD 1, 87/1150, ANZ-W.

¹²⁹ Memorandum by James Hector, 18 May 1887, Mines Department, MD 1, 87/1150, ANZ-W.

¹³⁰ J.B. Smith to Minister of Mines, 21 May 1887, Mines Department, MD 1, 87/1150, ANZ-W.

¹³¹ *Waikato Times*, 10 May 1887, p. 2; *Te Aroha News*, 14 May 1887, p. 2.

¹³² See *Cyclopedia of New Zealand*, vol. 3, pp. 163-164; Jenkinson, pp. 87-89, 130-134; R.M. Burdon, *Scholar Errant: A biography of Professor A.W. Bickerton* (Christchurch, 1956).

to work on different parts of his property' so that it would be well opened up when Hutton arrived.¹³³

RAISING CAPITAL IN CHRISTCHURCH

In early October, Smith told a Te Aroha correspondent that, after finding gold, he 'went direct to Christchurch, told his friends, asking their advice as to how to proceed, and also to see how he stood with regard to the ownership of minerals on land'. After showing them several reports and '

explaining the extraordinary nature of the discovery, his friends simply gazed on him with surprise, and would not accept the description as correct unless Professor Hutton certified to the correctness of the assays. Professor Hutton came, and examined the geological formation of the country, particularly of Smith's land, took samples from three different shafts, getting them assayed at Firth and Clark's battery, the result being £15 per ton, thirty-four shillings, and nothing respectively.¹³⁴

Hutton was 'favourably impressed' during his four-day inspection in early July; indeed, not having seen anything like it before, he was 'a little astonished'. He took samples from three new shafts for Adams to assay which produced £13 15s worth of bullion per ton, £1 14s, and nil. Hutton also obtained parcels to be tested by the Colonial Museum and the Mines Department.¹³⁵ In late July, the *Waikato Times* printed Hutton's report of 6 July describing the 11 shafts and detailing the assays and the geology. Hutton asserted that 88 acres were auriferous and 'in all probability' more than 350 acres were. The assays averaged 'about £16 per ton'. The newspaper considered that, 'taking it all together', Hutton's report was 'very favourable'. As a payable goldfield would 'be of enormous benefit to the whole district', it hoped the high expectations would be 'fully realised'.¹³⁶

At the beginning of August, Hector's analysis of Hutton's four samples was published. All contained bullion: 2oz 5dwt 12gr, 4oz, 4oz 1dwt 6gr, and 14oz 19dwt. Assays produced 84.7 per cent of gold and 16.91 of silver, and

¹³³ *Waikato Times*, 14 May 1887, p. 2.

¹³⁴ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5; reprinted with minor variations in Auckland Correspondent, *Press*, 7 October 1887, p. 5.

¹³⁵ *Waikato Times*, 9 July 1887, p. 3.

¹³⁶ *Waikato Times*, 23 July 1887, Supplement, p. 2.

as previous assays of gold from Te Aroha produced 'from 77 to 84 per cent of pure gold', these samples were 'an average composition' for the district.¹³⁷ Another report stated that Hutton gave 'three average samples' to Hector, producing £40, £16, and £12.¹³⁸ One of Smith's farming neighbours, Edward Reginald Chudleigh,¹³⁹ when in Christchurch on 13 August, recorded that Hutton had 'gone mad about the gold' on their properties and had told a meeting 'he believed that there was a hundred millions of gold in the four estates and warned the company and the City of Christchurch not to let this opportunity go for they never would have the offer renewed'. Chudleigh doubted his extravagant statement.¹⁴⁰ Others also had doubts: Smith told a journalist that 'Canterbury people were still too sceptical' of Hector's 'surprising confirmatory reports'.¹⁴¹

By late August, having interested potential investors, Smith had returned from Christchurch. He had first contacted Edward Parkerson, financial manager of a legal firm, Harper and Company, who later explained he had 'a good deal to do with the affair' in its early days and was to receive £200 for floating a syndicate.¹⁴² Harper and Company had earlier been associated with Smith, who in January 1883 had mortgaged his Waitoa property to the firm and in May transferred a second mortgage to it, taking out a new one in July.¹⁴³ Parkerson introduced Smith to Thomas Acland¹⁴⁴ and Frederick Henry Barns,¹⁴⁵ who were partners in Acland, Barns and Company, a leading firm of Christchurch sharebrokers.¹⁴⁶ A correspondent reported in early August that three Christchurch men would inspect Smith's property 'on behalf of a number of people, who will take shares pending a favourable reply'. Reports by Hector, Hutton, Bickerton and Wilson 'printed in pamphlet style' created 'considerable interest throughout Christchurch. The prospectus and plans will be issued within a

¹³⁷ *Waikato Times*, 2 August 1887, p. 2.

¹³⁸ Auckland Correspondent, *Press*, 7 October 1887, p. 5.

¹³⁹ See Chudleigh, pp. 17-24.

¹⁴⁰ Chudleigh, p. 357.

¹⁴¹ Auckland Correspondent, *Press*, 7 October 1887, p. 5.

¹⁴² *Press*, 13 October 1888, p. 6.

¹⁴³ Lands and Survey Department, *Certificates of Title Register Books*, vol. 17 folio 230, Land Information New Zealand, Hamilton.

¹⁴⁴ See *Press*, 29 October 1887, p. 5; *Christchurch South Electoral Roll*, 1887, p. 2.

¹⁴⁵ See *Cyclopedia of New Zealand*, vol. 3, p. 282.

¹⁴⁶ *Press*, 13 October 1888, p. 6.

fortnight, for forming the northern part of Mr Smith's property into a company'.¹⁴⁷ This nine-page pamphlet, *Reports Upon the Auriferous Deposit on the Property of J. B. Smith, Esq., Waihou, Auckland*, included the most optimistic reports and directed those seeking more information to specified sharebroking firms in Christchurch, Dunedin, Wellington, and Auckland.¹⁴⁸ Bickerton assured readers there would be no difficulty in extracting the gold because it contained no sulphur and, being fine, no crushing was needed.¹⁴⁹

Before signing the deed of association setting up a company, Barns and a Christchurch solicitor, Thomas William Maude, then of Harper and Company and later a partner in Maude and Harman,¹⁵⁰ told Larnach that they did not want to spend capital if the government was likely to resume Smith's land for a goldfield. Larnach requested details of the syndicate's intentions.¹⁵¹ Accordingly, on 13 August Harper and Company informed him that Smith did not want his approximately 200 acres of auriferous land resumed. As the discoverer, he considered he was 'entitled to some special grant in the event of resumption by the Crown and this coupled with the portion covered by plantations &c he thinks would so reduce the available area as to make it not worth while for the Crown to interfere'. Whilst Smith was 'willing to meet the wishes of the Crown' should it resume possession, they sought an assurance that it would 'not interfere'. If the land was resumed, Larnach was asked to 'please consider this an application by Mr Smith as he is anxious not to lose his right of priority'.¹⁵² After requesting further particulars of the syndicate's intentions, on 30 August Larnach assured it that there was no intention of resuming the land.¹⁵³ As Smith later explained, the government would only interfere when 'greedy people endeavoured to hold land for purely speculative purposes, neither working the ground nor erecting machinery, but deliberately preventing others from doing so'.¹⁵⁴ Larnach was reportedly convinced that 'the venture was in the

¹⁴⁷ *Waikato Times*, 6 August 1887, p. 2.

¹⁴⁸ *Reports Upon the Auriferous Deposit*, especially pp. 1, 3-8.

¹⁴⁹ *Reports Upon the Auriferous Deposit*, p. 9.

¹⁵⁰ See *Cyclopedia of New Zealand*, vol. 3, p. 135; *St Albans Electoral Roll, 1887*, p. 16.

¹⁵¹ *Te Aroha News*, 15 October 1887, p. 2.

¹⁵² Harper and Company to Minister of Mines, 13 August 1887, Mines Department, MD 1, 87/1150, ANZ-W.

¹⁵³ H.A. Gordon to Harper and Company, 30 August 1887, Mines Department, MD 1, 87/1150, ANZ-W.

¹⁵⁴ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

hands of thorough practical business men'.¹⁵⁵ As the promoters feared the government might limit their area 'to only 100 acres, and burst the company', to be doubly reassured they also interviewed Julius Vogel, the Treasurer.¹⁵⁶

Smith had returned to his farm 'accompanied by a few southern people desirous of inspecting the auriferous portion' of it.¹⁵⁷ There were three 'southern people': Maude, Barns, and Walter Hill,¹⁵⁸ whom George Fraser took to be 'a gentleman of means'.¹⁵⁹ Smith announced that a 'more practical trial' would be made of 60 tons in the New Era battery at Waiorongomai because it had the best process,¹⁶⁰ but this trial was not made. After spending several days examining the find, 20 tons were taken 'from shafts sunk in different portions of the estate, and well mixed', to be treated by Fraser. If results were as good as assays suggested, 'a large amount' of capital would be invested immediately to work 'on a large scale in a systematic manner', which would 'prove of immense benefit to the whole province', there being 'practically an unlimited supply of the deposit'.¹⁶¹ Harper and Company made a verbal agreement with Smith to pay for the test. Parkerson later stated that Leonard Harper, another solicitor who was a partner in Harper and Company,¹⁶² 'was very anxious that a test should be made', and said that his firm would meet the cost. 'Smith was averse to the test being made', but Harper insisted on one, 'as he did not think a full test had been made'.¹⁶³ Fraser tested seven tons by pan amalgamation, and later stated that 'the results were very variable in respect to the actual result per ton, and the value of the gold. The highest

¹⁵⁵ *Te Aroha News*, 15 October 1887, p. 2.

¹⁵⁶ *Te Aroha Correspondent*, *New Zealand Herald*, 5 October 1887, p. 5.

¹⁵⁷ *Waikato Times*, 27 August 1887, p. 2.

¹⁵⁸ Hill has not been traced in electoral rolls, but if this was a misspelling of Hall, the only Walter Hall then in the Christchurch region was a carpenter, of Johnson's Paddock: *Avon Electoral Roll*, 1887, p. 10.

¹⁵⁹ *Auckland Star*, 13 October 1887, p. 5.

¹⁶⁰ *Waikato Times*, 27 August 1887, p. 2.

¹⁶¹ *Te Aroha News*, 3 September 1887, p. 2.

¹⁶² See *Auckland Star*, 13 October 1887, p. 5; *Cyclopedia of New Zealand*, vol. 3, p. 96; Stevan Eldred-Grigg, *The Rich: A New Zealand history* (Auckland, 1996), p. 110.

¹⁶³ *Press*, 13 October 1888, p. 6.

parcel, of 11cwt, was worth £6 17s 6d per ton; one went as low as £1 5s per ton'.¹⁶⁴

ENTHUSIASM IN AUCKLAND

The *New Zealand Herald*, which had kept its readers informed about the discoveries, on 12 September published Hutton's July report, describing his tests as 'highly favourable' and expecting the find would be 'of great importance'.¹⁶⁵ On 13 September a report was headlined 'A Golden Prospect':

We do not think that we are disposed to be over-sanguine in reference to discoveries of gold, and are quite aware of the caution with which all statements and tests must be received. But we believe that when our readers consider the facts we are about to put before them, they will agree that a confident hope may be entertained that a discovery of vast importance has been made, a discovery which will revolutionise the condition of affairs here in a few weeks.

The lowest assay from the 14 shafts by then dug over an area of 250 acres (none down more than 30 feet) was £1 14s, some being over £2 10s. Fraser considered no stampers were required, only 'a pan process with chemicals', and he could erect a plant to treat both sands and sandstone at '10s per ton at the highest. This, of course, would leave an enormous profit, and seeing that the quantity of stuff is apparently inexhaustible, we seem to be on the eve of a wondrous change'. The average value of the bullion, £3 12s 6d per oz, was much higher than Thames gold, which was worth only about £2 12s 6d (pure gold was worth £4 4s 4d). No goldfield could be more easily worked, the sands extracted from each shaft were 'richly payable', and it was 'impossible to say how far the same formation extends. What is already disclosed could not be worked out in a hundred years'. Abundant water power was available, coal could be transported cheaply, and within 16 weeks Fraser's experimental plant could be treating 400 tons a week. Through this find, 'Auckland will start from the deep gloom of depression into the brilliant sunshine of prosperity. All New Zealand will be raised. No

¹⁶⁴ *Auckland Star*, 13 October 1887, p. 5.

¹⁶⁵ *New Zealand Herald*, 12 September 1887, p. 6.

fear of over-production of gold, or of a trembling looking forward to shaky markets'.¹⁶⁶

The *Auckland Star* for the same date headlined the results of Hutton's tests as 'Excellent Prospects', and gave an enthusiastic appraisal:

The finding of the Waitoa deposit is regarded as one of the most important discoveries chronicled, and every working man will hail with satisfaction the probable opening of a field of labour unlimited in its extent. Even if the treatment of the stuff merely paid working expenses, it would prove a great boon to the community, but we have the assurance of a practical firm that there is a profitable margin, and the results of treatment by the latest known methods proves not only that the stuff will pay to reduce, but also that the latest scientific process that has been brought to bear on its manipulation and a triumph has been achieved by local experts. It will be interesting to note the further tracing of this deposit through the country, as it is probable that large tracts of lands adjacent to the auriferous ranges will prove to be of a similar character. It has been remarked with surprise that alluvial gold has not been discovered in proximity to our reefing districts, as is usually the case in other countries, and it is now apparent that the gold is there, but in a different form to what has been expected.

'Many' people who had seen the sands were 'sure that pretty near the whole country' was auriferous.¹⁶⁷

The following day the *Herald* reported that 'a profound sensation' had been created by the news. 'The matter was town talk, and the prospect unfolded of the development of a goldfield which would at once dissipate existing depression, proved most exhilarating'. But it warned there was 'so far nothing at all to induce a rush'. As the land was private property, miners would 'have to make arrangements with the owners'. More favourable impressions were quoted, in particular Fraser's details of his plant and his tests; he was 'fully impressed with the hopefulness of the prospect', and 'sanguine that the discovery' was 'of vast importance'. In contrast, Pond, who had tested 'samples of gold-bearing sands and drifts from all parts of the Waikato district between Pirongia and Te Aroha', was 'by no means sanguine, and strongly deprecates anything which would be at all likely to raise false hopes or lead to a rush. He has made numerous tests

¹⁶⁶ *New Zealand Herald*, 13 September 1887, p. 5.

¹⁶⁷ *Auckland Star*, 13 September 1887, p. 5.

of stuff from the Waitoa district', those from Smith's property varying from 2oz 14dwt of bullion to 3dwt. As the gold was 'exceedingly fine', a 'large proportion' might be lost during treatment, and 'the expense of working will also necessarily be great, owing to the cost of raising water'. Nevertheless he believed Smith's sands 'might be made to pay, as the gold probably lies in veins through the wash'.¹⁶⁸

The *Auckland Star* confirmed that there was 'the utmost interest' in the discovery, and 'the sample of stuff exhibited by Mr Witheford has been inspected during the day by numbers of experienced miners used to treating' similar sands.¹⁶⁹ Joseph Witheford, a sharebroker who later became mayor of Birkenhead, chairman of the Auckland Harbour Board, and a member of parliament, claimed to have been 'instrumental in largely developing the Auckland goldfields'.¹⁷⁰ Selective in his investments, he never acquired interests in the Te Aroha district. Alluvial miners considered that even more important discoveries were possible. 'A miner states that he washed seven and a-half ounces of gold out of a similar class of stuff near Puriri', south of Thames, 'in the early days of the field. He also got rich gold on the West Coast from a similar looking strata', and considered that it was necessary to sink further 'to prove the depth of the strata' and to discover 'at what depth bottom will be reached, and if the gold gets coarser'.¹⁷¹

VARYING DEGREES OF ENTHUSIASM IN HAMILTON AND TE AROHA

The *Waikato Times* shared the general enthusiasm. 'The gold is said to be free, and the wash dirt consists of a mixture of sand and pipe clay to a considerable depth, underlining a large area of country; in fact the deposits are practically inexhaustible'. The find was 'looked upon as one of the most important discoveries chronicled, as it promises an opening to every working man, and it is considered probable that large tracts of land will prove to be auriferous'.¹⁷² Shortly afterwards, an editorial anticipated 'a field of enormous extent capable of finding employment for thousands of

¹⁶⁸ *New Zealand Herald*, 14 September 1887, p. 5.

¹⁶⁹ *Auckland Star*, 14 September 1887, p. 5.

¹⁷⁰ See *Cyclopedia of New Zealand*, vol. 2, pp. 98, 137, 527.

¹⁷¹ *Auckland Star*, 14 September 1887, p. 5.

¹⁷² *Waikato Times*, 15 September 1887, p. 2.

men, and yielding inexhaustible wealth to the colony. In fact, it would be the immediate salvation of New Zealand'.¹⁷³

The *Herald's* 'glowing report' that the deposit 'could not be worked out in a hundred years' was 'the chief local topic of conversation during the week' at Te Aroha.¹⁷⁴ The *Te Aroha News*, which had earlier written that Smith had 'spared neither time or expense in having the matter thoroughly investigated, and we sincerely trust there is a big return in store for him',¹⁷⁵ agreed that, should expectations be realized, there were 'good times in store', but was 'strongly of opinion' that 'until the new field - if it may be so termed - has been more thoroughly tested' to determine 'its extent and the actual and practical value of the auriferous deposits, much caution should be exercised in publishing reports which might tend to mislead the general public'. Whilst landowners might 'have a good thing in hand', it was yet to be proved how far the community would benefit. 'Unlike an ordinary alluvial or quartz field, where a large number of men can find employment on a comparatively small area', at Waitoa only 'a small number of hands' would be needed 'to keep a large plant of machinery in full work', detracting 'considerably from the importance of the discovery', and the press should exercise 'due caution'. It hoped no time would be lost 'in satisfactorily demonstrating the real value and permanence of the new field, which we most heartily trust will more than realise expectations'.¹⁷⁶ The *Auckland Star* agreed that 'very few men in proportion to its area' would be employed, because 'very few hands' could supply even a large mill; in this sense the find was 'less important' than an ordinary one. 'Were it not for this facility for economical working', it doubted 'whether it could be made to pay at all'.¹⁷⁷

A Te Aroha correspondent noted 'general satisfaction' there but 'none of the excitement' prevailing elsewhere. Local miners 'have not shown much interest', partly because the ground was privately owned and because of an impression that its importance had 'been overrated in Auckland'.¹⁷⁸

EVEN MORE ENTHUSIASM

¹⁷³ Editorial, *Waikato Times*, 22 September 1887, p. 2.

¹⁷⁴ Editorial, *Te Aroha News*, 17 September 1887, p. 2.

¹⁷⁵ *Te Aroha News*, 3 September 1887, p. 2.

¹⁷⁶ Editorial, *Te Aroha News*, 17 September 1887, p. 2.

¹⁷⁷ *Auckland Star*, 17 September 1887, p. 4.

¹⁷⁸ Te Aroha Correspondent, *New Zealand Herald*, 16 September 1887, p. 5.

On 17 September, the columnist 'Mercutio' wrote a paragraph in his usual style, which should not be taken at face value:

The Waitoa gold deposits have been all the talk during the week. Queen-street has been in a simmer of excitement, and the very air has been redolent of the mining camp. We are on the eve of a big boom. Jones says so, and Jones ought to know. He is a sharebroker, and has been doing nothing for months. But while everybody has been talking about the Waitoa gold find, a friend of mine with a turn for futures has been making an interesting calculation, the result of which is to prove that the wealth of Waitoa is simply fabulous. He has only dealt with the 300 acres from which the test samples were taken, and basing his calculation on the supposition that the deposit is of a uniform depth of 300 feet, and worth say £2 10s a ton, he finds that in the area named there are 15,631,111 tons, valued at thirty-nine million pounds! This, as Dominie [a Scottish schoolmaster] Sampson would have said, is "Prodigious!" It is enough to make us all turn prospectors, - for there may be, and no doubt there are, many Waitoas if we could only find them. Indeed, ever since I heard of the discovery on Mr Smith's land I have been occupying my spare moments in prospecting in my back yard; so, too, I regret to say, have my neighbours' fowls, confound them. But you say Waitoa will soon be worked out. Not so fast, my friend. Thou hast not a calculating machine on thy shoulders. The deposit will likely enough be still unexhausted even on the 300 acres when I and you and all of us have been forgotten by the unborn generations. Supposing 400 tons a day were treated, the deposit would not be worked out until the year 2638, or 751 years from now. We need not, therefore, be afraid of its giving out in our little day.¹⁷⁹

The *Waikato Times* took these calculations seriously and repeated them as fact, although stating that 300 acres would yield nearly £16,000,000, and was convinced there was gold on adjacent properties as well.¹⁸⁰ It called for the new goldfield to be opened to all: 'Shall it be left to the stock jobbers and speculators of Queen-street and Christchurch to reap the superb harvest nature has intended shall be shared in by all the world alike?' It predicted that the gold would soon make Auckland 'in wealth,

¹⁷⁹ 'Mercutio', 'Local Gossip', *New Zealand Herald*, 17 September 1887, Supplement, p. 1.

¹⁸⁰ Editorial, *Waikato Times*, 27 September 1887, p. 2.

population and importance another Melbourne'.¹⁸¹ The *Auckland Star* predicted that prospecting 'from Mount Egmont to the North Cape' would produce 'most valuable finds'. Tests had been made of the small samples displayed in Witheford's window.

It is amusing to hear of the varied comments made on the commonplace looking Waitoa mud now on view. Fresh visitors are coming in daily from country and suburban districts, who are satisfied that they can produce opposition mud and clay as good-looking, and Mr Witheford is promised unlimited specimens of the same, to provide space for exhibiting which it will be necessary for him to arrange with the proprietors of the Arcade for the whole of the unoccupied windows of the structure. A miner recently from Teetulpa diggings [in South Australia]¹⁸² took a handful of the Waitoa dirt and washed it on his shovel, and reports getting several colours from the trial. He is going to explore the country for alluvial gold, being satisfied that the wash dirt will be traceable through the country. As he hopes it may be tracked through freehold properties and along the course of a defined river bed, into Crown or native lands, Government may be disposed to assist at once in the important work of tracing the old route of the stream, and it is possible that its source, or that of a similar old drift, may carry explorers back into the King Country. By proclaiming a goldfield on native lands subject to regulations in force on other fields, there would very soon be a crowd of men on the ground.¹⁸³

The Wellington *Evening Press* was 'decidedly of opinion' that it was 'the most promising gold discovery' made in New Zealand for many years. 'If what at present appear reasonable anticipations regarding it be fulfilled, it will not only settle the unemployed difficulty in next to no time, but bring over such a tide of population from Australia as never was seen before'.¹⁸⁴

A WIDER SEARCH BY NEIGHBOURS AND INVESTORS

The published results of these tests encouraged Smith's neighbours to investigate their land, for, as one noted, the strata exposed in Smith's shafts

¹⁸¹ Editorial, *Waikato Times*, 29 September 1887, p. 2.

¹⁸² See *Evening Post*, 19 November 1886, p. 2.

¹⁸³ *Auckland Star*, 19 September 1887, p. 3.

¹⁸⁴ *Evening Press*, 14 September 1887, reprinted in *New Zealand Herald*, 21 September 1887, p. 5.

looked 'like all the cuttings in roads railways and drains all over the district'.¹⁸⁵ Immediately after the find was first announced, Frederick Strange had an assay made 'of some similar dirt existing on his place at Waitoa hot springs'.¹⁸⁶ By the end of April, gold had been found on his land, nine miles from Smith's first discovery, and several tons assayed by Adams gave a value of 17s 6d.¹⁸⁷ He believed he had an 'extensive' alluvial deposit, and notified the mining inspector that he would claim the reward for finding a new goldfield once its value was 'satisfactorily ascertained'.¹⁸⁸ Reuben Parr, who had briefly and unsuccessfully mined at Thames and later had participated in the Te Aroha rush,¹⁸⁹ at that time was managing a farm owned by Hugh Campbell and his brother.¹⁹⁰ His son, then aged 19, recalled Smith's neighbours becoming 'greatly excited', and his father becoming 'optimistic'. All his family 'and an assistant or two busily prospected for gold on our farm, a short distance from where our neighbour was alleged to have discovered it. My father talked of selling his mine which we were sure to find on our own property for nothing less than £20,000'.¹⁹¹ They found sand yielding 3oz 17dwt, but a sample sent to Auckland only gave 3dwt 8gr. 'Although somewhat of a disappointment', this result was 'still sufficiently encouraging to justify further trial', the *Waikato Times* believed.¹⁹² In May, Parr examined sand in Walker's Gully,¹⁹³ at Pukerimu,

¹⁸⁵ Chudleigh, p. 355.

¹⁸⁶ *Waikato Times*, 7 April 1887, p. 3.

¹⁸⁷ *Waikato Times*, 30 April 1887, p. 2.

¹⁸⁸ Frederick Strange to George Wilson, 29 April 1887, Te Aroha Warden's Court, General Correspondence 1887, BBAV 11584/3b, ANZ-A.

¹⁸⁹ See *Observer*, 9 January 1926, p. 4; Te Aroha Warden's Court, Complaint Book 1880-1898, 2/1880, BBAV 11547/1a, ANZ-A; *New Zealand Gazette*, 20 January 1881, p. 110, 28 April 1881, p. 476, 9 June 1881, p. 744; *Thames Star*, 7 January 1881, p. 2, 7 February 1881, p. 2, 4 March 1881, p. 2; *Waikato Times*, 19 April 1877, p. 3; *Observer*, 9 January 1926, p. 4.

¹⁹⁰ See *Auckland Weekly News*, 21 June 1879, p. 16, 28 June 1879, p. 13; *Waikato Electoral Roll, 1880*, p. 3; C.W. Vennell and David More, *Land of the Three Rivers: A centennial history of Piako County* (Auckland, 1976), pp. 264, 314.

¹⁹¹ Parr, p. 13.

¹⁹² *Waikato Times*, 19 April 1887, p. 3, 5 May 1887, p. 2.

¹⁹³ Named after land owned there by Edwin Barnes Walker, who briefly invested in Waiorongomai mining: for his land, see *Waikato Argus*, 10 February 1898, p. 2, 24 November 1898, p. 2; for mining investments, see Te Aroha Warden's Court, Complaint Book

on the far side of the Waikato River near Cambridge, where he owned a farm.¹⁹⁴ He considered it 'similar to that at Waitoa', and took a sample for testing,¹⁹⁵ but the result was never released and no more was heard of this find. A farmer at Papakanui, near Morrinsville, had assays done which yielded 8dwt 4gr of gold;¹⁹⁶ this did not become a goldfield either.

A Morrinsville correspondent reported in mid-September that Smith's deposit had been traced on adjoining properties belonging to Falconer Larkworthy (who was also a speculator in land),¹⁹⁷ Edward Reginald Chudleigh (who also farmed in the Chatham Islands),¹⁹⁸ and Charles Gould.¹⁹⁹ It was 'the opinion of those who know the country' that gold would be found 'more or less throughout the valley'. In one place where 'a similar deposit' was believed to exist a landowner leased a section at £2 per acre for 21 years.²⁰⁰ Chudleigh, who found his farm in poor condition when he returned to it in mid-July, saw Smith 'about the gold' and was given details of the assays and Hutton's positive report. He saw 'no reason to doubt that my land is the same as his'. As Smith's find was 'only a few chains' from his boundary, Chudleigh started prospecting almost immediately.²⁰¹ Heavy rain made digging shafts difficult, but on 23 July he obtained 'several samples from several holes to take away and have assayed. The water was so strong that we could not pump one well out as fast as it came in, so no good sample could be got, but such as they are I have five'.²⁰² Two days later, he made a fire under a sheet of corrugated iron and dried his five small bags of specimens. 'May they turn out fairly good. The water has prevented my going deep so these tests are not of so much importance as against gold being in the right strata'.²⁰³ He took the samples to Fraser and spent all day

1880-1898, 7/1889, BBAV 11547/1a; Mining Applications 1895, 16/1895; Mining Applications 1896, 112/1896, BBAV 11582/4a, ANZ-A.

¹⁹⁴ *Te Aroha News*, 14 May 1887, p. 2; *Waikato Times*, 21 February 1888, p. 2.

¹⁹⁵ *Waikato Times*, 12 May 1887, p. 2.

¹⁹⁶ *Waikato Times*, 9 August 1887, p. 2.

¹⁹⁷ See *Auckland Weekly News*, 28 June 1879, p. 13; G.R. Hawke, 'Falconer Larkworthy', *Dictionary of New Zealand Biography*, vol. 1 (Wellington, 1990), pp. 237-238.

¹⁹⁸ See *Waikato Electoral Roll, 1887*, p. 4; Chudleigh, pp. 17-24.

¹⁹⁹ See paper on his life.

²⁰⁰ Morrinsville Correspondent, *New Zealand Herald*, 16 September 1887, p. 5.

²⁰¹ Chudleigh, p. 355.

²⁰² Chudleigh, p. 356.

²⁰³ Chudleigh, p. 356.

watching the treatment. Assays revealed gold and silver. The gold had to be over 12s per ton 'to pay expenses and the silver twice that amount. As it is all the silver is wasted and so does not count. The value of the stuff is just the value of the gold'. Fraser believed 'there must be gold in quantity deeper. No one has seen any bottom yet at 30ft'.²⁰⁴

Witheford tested small samples from various sites. The most notable sample was coarse washdirt

taken from a layer three feet thick, resting on a stiff clay bottom seven feet from the surface. The finder treated the stuff as follows:- He filled an old iron frying pan with the deposit, and got it to a white heat. After thoroughly calcining the dirt, he blew the light residue away, and was surprised to find the bottom of the pan covered with specks of gold, so thick as to look as if it had been gilded. To make assurance doubly sure, he has brought down the sample referred to, which will be duly assayed by local experts.

Property owners were encouraged to offer part of their land 'on very easy terms to any party who would go to the expense of making a thorough trial'. Witheford would 'arrange for an immediate test' of any land if offered 'sufficient inducement'.²⁰⁵ The *Auckland Star*, noting that all the assays had produced 'the same average results', wanted 'ten to twenty tons' treated; 'a proportionate return of gold from such a parcel will be regarded as most satisfactory evidence of the value'.²⁰⁶

Witheford intended making 'a trial test of five tons from similar stuff in another part of the district' by forming a syndicate of about 20 people, each contributing £5. He was willing to contribute this amount himself and to secure ground for testing. The value of the deposit would be determined by 'visible gold seen by panning off', and unless gold was found 'it will be deemed not worth the trial'. A lower return would prove the deposit was not payable throughout the district and 'prevent undue importance being attached to the discovery'.²⁰⁷ Witheford and William Abbey, a storekeeper at Waitoa,²⁰⁸ applied for licenses to prospect near Smith's land.²⁰⁹

²⁰⁴ Chudleigh, p. 356.

²⁰⁵ *New Zealand Herald*, 21 September 1887, p. 5.

²⁰⁶ *Auckland Star*, 20 September 1887, p. 5.

²⁰⁷ *New Zealand Herald*, 22 September 1887, p. 5.

²⁰⁸ *Waikato Times*, 15 June 1886, p. 4.

²⁰⁹ *New Zealand Herald*, 23 September 1887, p. 5.

Witheford's suggestion of forming a syndicate was immediately taken up by 21 'leading citizens'.²¹⁰ The objects of their Waitoa Prospecting Association were succinct: 'To examine the alleged auriferous deposits at Waitoa and the surrounding country. To obtain all knowledge in regard to the same, and if possible to estimate the extent to which the gold is present in the alluvial deposits'.²¹¹ It had a monopoly of prospecting over 7,600 acres, with the right of purchasing 500 acres at £5 per acre should gold be found.²¹² Witheford was its secretary, and Sir Frederick Whitaker, a former Premier,²¹³ was chairman.²¹⁴ The only other known member was George Fraser, of the Phoenix Foundry.²¹⁵ Its first meeting delegated three experienced miners to inspect the field. Witheford had noted that 'the richest returns invariably came from Smith's property, indicating that there has been some special agency at work by which the deposits have been heavier and richer than in the other few spots which have been tried'.²¹⁶ Samples were tested by Fraser, under the supervision of Patrick Kelly, a former mine manager,²¹⁷ who may have briefly participated in the Te Aroha rush of 1880 as the sole owner of Paddy's Gully.²¹⁸ Some of the material, at the request of the *Herald*, was left at its office,

where it was dried and pulverised, so as to prepare it for assay. The small portions of quartz - in which the largest part of the gold is most likely to be - were taken out, the fine stuff which remained was thoroughly mixed, and a portion given to Mr [George] Burns, the assayer of the Bank of New Zealand,²¹⁹ for treatment. The following was the result of the assay:-

Gold, 1oz 9dwt 9gr to the ton.

Silver, 2oz 12dwt 7gr to the ton.

²¹⁰ *New Zealand Herald*, 13 October 1887, p. 5.

²¹¹ *Auckland Star*, 13 October 1887, p. 5.

²¹² Editorial, *Waikato Times*, 18 October 1887, p. 2.

²¹³ For a favourable account of his life to 1880, see *Observer*, 16 October 1880, p. 36.

²¹⁴ *Te Aroha News*, 22 October 1887, Supplement, p. 7.

²¹⁵ *New Zealand Herald*, 29 November 1887, p. 3.

²¹⁶ *Thames Advertiser*, 14 October 1887, p. 2.

²¹⁷ *New Zealand Herald*, 19 September 1887, p. 5.

²¹⁸ Te Aroha Warden's Court, Register of Te Aroha Claims 1880-1888, folio 160, BBAV 11567/1a, ANZ-A.

²¹⁹ See *Auckland Central Electoral Roll, 1887*, p. 4; *New Zealand Herald*, 25 October 1887, p.5, 3 February 1896, p. 6.

The gold is very fine in quality, and would be in value worth nearly £4 per ounce. There can be no question as to the above assay. The stuff was not in any way picked on the ground - indeed, it could scarcely be picked, for the particles of gold cannot be seen by washing. It has certainly not been tampered with in any way since it has reached Auckland. In all probability trials will be made soon on a large scale, not only of stuff from Mr Smith's property, but from adjoining lands.²²⁰

The concern implied in the penultimate sentence about possible fraud clearly had been felt by some people, hence the explicit refutation. The following day it reported that interest had 'increased rather than diminished', Witheford having had 'a constant stream of visitors to see and handle the samples'.²²¹

Such reports prompted more farmers to prospect their land. Parr ordered a boring machine from Thames to 'cheaply and satisfactorily' test Campbell's farm.²²² Small parcels extracted from the shafts were sent for testing.²²³ A Morrinsville correspondent recorded the 'general opinion' that gold-bearing washdirt would be found 'more or less distributed over a large district'. Reputedly 'a stratum an inch thick but richer has been discovered as far away as Matamata, and a Hamilton gentleman who visited the locality some ten days ago at once declared that he had a similar deposit on his property, close to Hamilton'.²²⁴ An assay of one sample taken from Gould's farm gave a value of £1 3s 1d.²²⁵ By the beginning of October, Gould was 'having extensive experiments made with washing stuff taken from some half dozen shafts' under the supervision of a man representing the Auckland syndicate, which planned to purchase 700 acres of his farm if tests were satisfactory.²²⁶

The first assay of Gould's land prompted a Hamilton correspondent to have 'no doubt' that the field would 'extend for miles, and an enormously

²²⁰ *New Zealand Herald*, 19 September 1887, p. 5, 20 September 1887, p. 5.

²²¹ *New Zealand Herald*, 21 September 1887, p. 5.

²²² *New Zealand Herald*, 22 September 1887, p. 5.

²²³ *Waikato Times*, 1 October 1887, p. 2.

²²⁴ Morrinsville Correspondent, *New Zealand Herald*, 23 September 1887, p. 5.

²²⁵ *Waikato Times*, 27 September 1887, p. 2.

²²⁶ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5; *Waikato Times*, 1 November 1887, p. 2.

rich goldfield' opened.²²⁷ That this field did not extend across the river was shown by two samples taken near Waiorongomai in September producing only a trace of gold, less than ten grains.²²⁸ On the last day of September, a Cambridge correspondent telegraphed about 'great excitement' created there by 'a report that goldbearing sand has been found at Patetere, only one foot below the surface. If this is correct it will eclipse Waitoa'.²²⁹ Patetere, then being converted into farms, continued to be prospected, but a later claim that gold was discovered in building stone was quickly shown to be a hoax.²³⁰ 'Puff' considered these claims were designed to induce speculators to purchase land 'and enable the owners of Patetere to unload a bad bargain'.²³¹

Did the mid-September comments of the Wellington *Evening Press*, reprinted in the *Thames Star* as its first report, hint at doubts?

Perhaps the best feature of it is that it is almost impossible to lose money in working the field. No capital is required, because the gold is got immediately by the simplest processes. There is a railway close by, and it would not be any great task to truck the whole field into town and extract the gold from it there. The thing is so easy, in fact, that we shall be curious to see how the fortunate possessors of this bed of wealth will deal with it. They might sell it by the ton, like guano, or they might charge say £1 a day for admittance, and let everyone take as much as he can get.²³²

'Old Sluicer' believed that tributers should work the deposit.²³³ 'Miner', of Auckland, considered that the government should pay Smith as much or more than a company would and 'take possession of the land, declare it a goldfield', and open it in as many 'small claims as practicable. In that way population would be brought into the country', and the gold would 'be generally distributed to the prosperity of all'. If a company owned the gold few would be employed, and the profits would 'pass into the hands of a

²²⁷ Hamilton Correspondent, *New Zealand Herald*, 26 September 1887, p. 5.

²²⁸ Thames School of Mines, Assay Book 1887-1889, samples tested on 29 September 1887, School of Mines Archives, Thames.

²²⁹ Cambridge Correspondent, *New Zealand Herald*, 1 October 1887, p. 5.

²³⁰ *Auckland Star*, 19 October 1887, p. 5.

²³¹ Letter from 'Puff', *Thames Star*, 8 October 1887, p. 2.

²³² *Evening Press*, 14 September 1887, reprinted in *Thames Star*, 21 September 1887, p. 2.

²³³ Letter from 'Old Sluicer', *New Zealand Herald*, 14 September 1887, p. 5.

few who may not even live and spend it within the colony'. If it was too late to deal with Smith, the government should acquire the surrounding land and work it 'on the same principle as the goldfields of Australia'.²³⁴ The *Waikato Times* asked the government to test the Waitoa and Piako districts in preparation for declaring them goldfields. It repeated an incorrect rumour that Smith and his syndicate had offered to sell his farm to the government to enable this to happen and that only Larnach's refusal had caused them to form a company.²³⁵ In fact, Maude and Barns had asked Larnach that, should anyone else seek to acquire their land, he would protect their new company as the first applicant.²³⁶

A Morrinsville correspondent hoped for an alluvial goldfield worked by individual miners, with 'say not more than an eighth of an acre' being allotted 'to 10 or 12 men. Capitalists would be found in plenty to erect machinery where the owners of these claims could get their washdirt treated, every unemployed man in the colony would be able to find work highly remunerative, and the money drawn from the soil would be widely and generally disseminated to the benefit of all'.²³⁷ He believed the government should buy 10,000 acres, thereby creating 'an immense colonising agency, which would fill the waste lands up with the right class of small settlers, settle the unemployed difficulty, and drive away depression'. He opposed leaving the field in private hands 'to be worked by a few joint stock companies'.

Worked out by the individual alluvial miner, the whole of the gold would be got out within a reasonable time, and spent and invested in the colony; worked by companies it will be a work of ages, and the larger portion of the gold will just pass away from the colony, employing comparatively little labour, and be spent in Europe and elsewhere by a few fortunate millionaires. Can the Government not see their duty in this matter?²³⁸

At the beginning of October, a 'large and representative' meeting convened by the mayor of Hamilton unanimously urged the government to

²³⁴ Letter from 'Miner', *New Zealand Herald*, 15 September 1887, p. 5.

²³⁵ Editorial, *Waikato Times*, 22 September 1887, p. 2.

²³⁶ T.W. Maude and F.H. Barns to Minister of Mines, 15 September 1887, Mines Department, MD 1, 87/1150, ANZ-W.

²³⁷ Morrinsville Correspondent, *New Zealand Herald*, 16 September 1887, p. 5.

²³⁸ Morrinsville Correspondent, *New Zealand Herald*, 23 September 1887, p. 5.

take 'such steps as will secure to the public at large the full benefit of the gold deposit'.²³⁹ At this meeting, a surveyor, Thomas Goodman Sandes,²⁴⁰ who had invested in Te Aroha mining during the initial rush,²⁴¹ estimated the value of the 300 acres tested as £11,616,000, and anticipated thousands of men working there. A jeweller, Samuel McLernon,²⁴² who had invested in a very small way at Waiorongomai,²⁴³ wanted the government 'to purchase all lands proved to be auriferous. It would be one of the grandest things that have occurred for years'.²⁴⁴ The *Waikato Times* recommended that landowners with proven deposits should open their farms to mining on terms far better than those Smith 'had obtained from the capitalist'.²⁴⁵ A Hamilton correspondent approvingly cited this suggestion.²⁴⁶ The *Te Aroha News*, in contrast, 'decidedly' considered that so far nothing warranted the government 'expending large sums' acquiring land.²⁴⁷

Some doubts were now being expressed. On 28 September, the *Auckland Star* reported that tests on Witheford's samples, taken from six different places outside Smith's farm, were 'unsatisfactory'. As well, Pond's tests of 'the residue of dish prospects saved by different people' and brought to Auckland by Witheford showed that 'what was supposed to be gold' was mica.²⁴⁸ Witheford explained that 'an alluvial miner, formerly on the West Coast and recently from Australia', had visited him after seeing an announcement of four-ounce nuggets being found in the Waitoa River. This

²³⁹ Hamilton Correspondent, *New Zealand Herald*, 3 October 1887, p. 5.

²⁴⁰ See *Descriptive Handbook to the Waikato* (Hamilton, 1880), p. 29; *Ohinemuri Gazette*, 12 May 1897, p. 2; C.A. Lawn, *The Pioneer Land Surveyors of New Zealand* (Auckland, 1979), p. 231.

²⁴¹ Te Aroha Warden's Court, Register of Te Aroha Claims 1880-1888, folios 161, 223, BBAV 11567/1a, ANZ-A; *New Zealand Gazette*, 30 December 1880, p. 1797, 28 April 1881, p. 476, 9 June 1881, p. 744.

²⁴² See *Descriptive Handbook to the Waikato* (Hamilton, 1880), p. 28; *New Zealand Herald*, 11 August 1926, p. 12.

²⁴³ Te Aroha Warden's Court, Register of Licensed Holdings 1881-1887, folio 132, BBAV 11500/9a; Thames Magistrate's Court, Civil Record Book 1883-1885, 431/1884, BACL 13735/2a, ANZ-A.

²⁴⁴ *Waikato Times*, 4 October 1887, p. 3.

²⁴⁵ Editorial, *Waikato Times*, 6 October 1887, p. 2.

²⁴⁶ Hamilton Correspondent, *Auckland Star*, 7 October 1887, p. 5.

²⁴⁷ *Te Aroha News*, 15 October 1887, p. 2.

²⁴⁸ *Auckland Star*, 28 September 1887, p. 5.

man had been preparing to leave for Waitoa when he heard that the notice had been withdrawn. 'I at once saw the danger of a big rush taking place' or 'a too sanguine report being circulated, and as a duffer rush would seriously injure Auckland's reputation', he had announced these unfavourable results. Qualifying these, he stressed that not all the district had been tested, just 'a mere spot or two, or Smith's goldfield would indeed be an auriferous oasis in a desert of mica'. Having 'already been the means of several parties going prospecting', Witheford 'should be very sorry to cause any man to spend money and time going to a Waitoa rush until something better is got'. Nonetheless, he was 'satisfied' that gold existed, had heard some Maori had found alluvial gold, and did not wish to discourage prospecting, for 'little or nothing' had been done to 'prove or disprove a payable alluvial field outside of Smith's goldfield'. He expected 'vigorous individual trials about to be made' would discover alluvial fields north and south of Smith's land. To assist prospectors, the 'best assays and trial tests' would be made 'at a low charge', and those 'unable to spare the money' would be given the results for free.²⁴⁹

For its part, the *Herald* warned that, although there was 'unmistakable evidence' of gold of 'good quality', the quantity was yet to be determined. Until larger tests had demonstrated that the deposit could be profitably treated in bulk, 'any undue excitement' was 'to be deprecated, or only disappointment and pecuniary loss may await the too sanguine'.²⁵⁰

RAISING CAPITAL IN CHRISTCHURCH

Smith floated a company at Christchurch because 'he did not see much prospect of raising capital' in Auckland, 'and besides, he was better known in Christchurch'.²⁵¹ He was personally connected with several people who became shareholders. As well, Canterbury settlers with spare capital had been interested in acquiring land in the district since the mid-1870s.²⁵² Frederick Strange, from whom he had bought his land, came from Canterbury, as did a friend and neighbour, Robert Bruce Baker Willis,²⁵³ and another neighbour, Charles Gould. Charles Percy Cox (known as Percy)

²⁴⁹ *Auckland Star*, 30 September 1887, p. 5.

²⁵⁰ *New Zealand Herald*, 29 September 1887, p. 6.

²⁵¹ *New Zealand Herald*, 13 September 1887, p. 5.

²⁵² See *Thames Advertiser*, 9 April 1874, p. 3, 26 April 1876, p. 2.

²⁵³ *New Zealand Herald*, 14 October 1887, p. 5; *Te Aroha News*, 29 October 1917, p. 2.

was married to a daughter of Bishop Harper of Christchurch,²⁵⁴ whose eldest daughter married John Barton Arundel Acland, who owned Mount Peel estate and became a parliamentarian.²⁵⁵ Acland was 'a keen amateur geologist', but was not interested in prospecting his land for gold; some was found, of little value.²⁵⁶ He appears to have invested in the company, for he observed an assay of the ore in October 1887 (he later described the discovery as a 'swindle').²⁵⁷ Cox, 'well known in Christchurch', had invested in West Coast mining since the 1860s.²⁵⁸ He would own Karangahake mines in the early 1890s.²⁵⁹ Two of the bishop's sons, solicitors George and Leonard, were partners in Harper and Company.²⁶⁰ Cox and Chudleigh, who took up land beside Smith in 1878,²⁶¹ were close friends of the Harper family from the 1860s onwards.²⁶² Leonard Harper's approval was sought before the purchase was finalized,²⁶³ and their business relationship continued into the 1890s, eventually causing Chudleigh financial loss.²⁶⁴ Chudleigh was a friend of the Acland family (Thomas Acland was a nephew of J.B.A. Acland), working with them and Cox on Mount Peel during the

²⁵⁴ Charles Percy Cox, *Personal Notes and Reminiscences of an Early Canterbury Settler* (Christchurch, 1915), p. 21.

²⁵⁵ See *Cyclopedia of New Zealand*, vol. 3, p. 87; Burke, pp. 357-362; G.W. Harte, *Mount Peel is a Hundred: The story of the first high-country sheep station in Canterbury* (Timaru, 1956), pp. 7-32, 40-42, 61-64, 76; Jim McAloon, *No Idle Rich: The wealthy in Canterbury and Otago 1840-1914* (Dunedin, 2002), pp. 36, 40-41, 45, 112; Graeme Hunt, *The Rich List: Wealth and enterprise in New Zealand 1820-2000* (Auckland, 2000), pp. 68-69, and photograph facing p. 98.

²⁵⁶ Harte, pp. 74-75.

²⁵⁷ J.B.A. Acland, Diary 1887-1888, entry for 28 October 1887, B2/11, box 5; J.B.A. Acland to 'My dear Henry', 21 February 1888, Letterbook 1887-1888, B3/12, box 12, J.B.A. Acland Papers, MB 44, Macmillan Brown Library, University of Canterbury.

²⁵⁸ See *Te Aroha News*, 15 October 1887, p. 2; Chudleigh, p. 170; 'Charles Percy Cox', in Edith May Story, 'Our Fathers Have Told Us' (typescript, c. 1920), p. 390 [held in Alexander Turnbull Library].

²⁵⁹ H.A. Gordon to Minister of Mines, 28 July 1892, *AJHR*, 1892, C-3, p. 45.

²⁶⁰ See *Cyclopedia of New Zealand*, vol. 3 (Christchurch, 1903), pp. 96, 245; for Leonard, see also McAloon, pp. 45-46; for both, see Eldred-Grigg, p. 110.

²⁶¹ Chudleigh, p. 272-273.

²⁶² For example, Chudleigh, p. 201.

²⁶³ Chudleigh, p. 239.

²⁶⁴ Chudleigh, pp. 205, 220, 231, 290, 298-299, 359, 383, 388.

1860s; the Coxes, Harpers, and Aclands attended his wedding.²⁶⁵ In 1868 Cox and Chudleigh attempted to purchase a Pacific island.²⁶⁶

Smith's belief that he could not raise capital in Auckland was valid: no goldmining companies were floated in the Hauraki district during 1887, although several were floated in the South Island, notably at Reefton.²⁶⁷ Smith believed there was 'any amount of capital now available in Christchurch to develop the auriferous deposit if owners will allow their land to be prospected and the results prove as satisfactory as his trials were'.²⁶⁸

Shortly after Barns, Maude, and Hill returned to Christchurch satisfied by their inspection and the tests, Smith arranged the terms to form a company to erect a plant, and sold half his farm, 1,000 acres, to it at £14 an acre.²⁶⁹ A Wellington newspaper considered this price was 'absurd. An acre of stuff worth £2 14s per ton should fetch £1400 instead of £14'.²⁷⁰

Barns, Smith's broker,²⁷¹ a member of a 'highly respectable firm of brokers', floated a private company, the Waitoa Gold Mining Company, in late September. The promoters were described as having 'the highest social and commercial standing'.²⁷² The capital of £35,000 in £1 shares was reportedly subscribed two-fold.²⁷³ A Christchurch newspaper reported 45,000 applications being received.²⁷⁴ Upon allotment, shareholders paid 2s per share, and immediately commenced trading.²⁷⁵ Within three days of shares being allotted, there were 'buyers at over £2, the mine consequently standing at over £70,000 in the Christchurch market'.²⁷⁶ According to

²⁶⁵ Chudleigh, pp. 60-62, 113, 165-166, 168, 170, 177, 186-188, 190-191, 198, 220, 321, 299, 360; see Peter Newton, *High Country Journey* (Wellington, 1952), pp. 58-63.

²⁶⁶ Cox, p. 31; Chudleigh, p. 188.

²⁶⁷ *New Zealand Gazette*, 1887.

²⁶⁸ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

²⁶⁹ *New Zealand Herald*, 13 September 1887, p. 5.

²⁷⁰ *Evening Press*, 14 September 1887, reprinted in *New Zealand Herald*, 21 September 1887, p. 5.

²⁷¹ *Press*, 13 October 1888, p. 6.

²⁷² *Wellington Press*, n.d., reprinted in *New Zealand Herald*, 25 October 1887, p. 5.

²⁷³ *Waikato Times*, 27 September 1887, p. 2.

²⁷⁴ *Weekly Press*, 7 October 1887, reprinted in *Waikato Times*, 13 October 1887, p. 2.

²⁷⁵ *New Zealand Herald*, 5 October 1887, p. 5, letter from George Fraser, 29 October 1887, p. 3.

²⁷⁶ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

Smith, in an interview published under the headline 'Auckland's Hope: The Waitoa Gold Deposits', Hutton's tests and those done for the Christchurch emissaries had convinced Cantabrians that the find was genuine, and 'a general demand set in' for shares. 'All this was done quietly; no circular was distributed, and the enterprise was simply supported on its merits'.²⁷⁷ This statement overlooked the pamphlet encouraging investment.²⁷⁸ Maude was chairman of directors; Barns was secretary, with an annual salary of £200.²⁷⁹ Hutton received 500 shares for testing the ground, and later purchased more.²⁸⁰

Applications were received from all parts of New Zealand, especially Auckland, but although it was reported on 14 September that a few of Auckland's 'most enterprising citizens' had joined the syndicate, apart from Smith and Fraser all shares were allotted to Christchurch people.²⁸¹ As a Christchurch newspaper noted, by floating the company there Smith denied those living near Waitoa a chance to purchase any.²⁸² There were between 120 to 130 shareholders.²⁸³ Percy Cox was then an agent based in Ashburton.²⁸⁴ A meeting at the end of October revealed the names of other shareholders.²⁸⁵ Thomas Acland was a land agent and a partner with Barns as a stock and insurance broker.²⁸⁶ James Beaumont was a farmer at Springston, close to Christchurch.²⁸⁷ John Anderson, Jr, who had taken over control of his father's Canterbury Foundry, a leading public figure, was

²⁷⁷ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

²⁷⁸ *Reports Upon the Auriferous Deposit on the Property of J. B. Smith, Esq., Waihou, Auckland* (Christchurch, 1887).

²⁷⁹ *Waikato Times*, 6 December 1887, p. 2; *Press*, 13 October 1887, p. 6.

²⁸⁰ *New Zealand Herald*, 13 October 1887, p. 5.

²⁸¹ *Te Aroha News*, 15 October 1887, p. 2; *New Zealand Herald*, 14 September 1887, p. 5; *Weekly Press*, 7 October 1887, reprinted in *Waikato Times*, 13 October 1887, p. 2; *Auckland Star*, 13 October 1887, p. 5.

²⁸² *Telegraph*, 4 January 1888, reprinted in *Waikato Times*, 17 January 1888, p. 2.

²⁸³ *Press*, 13 October 1888, p. 6.

²⁸⁴ See *Te Aroha News*, 15 October 1887, p. 2; *Christchurch South Electoral Roll, 1887*, p. 7.

²⁸⁵ *Press*, 29 October 1887, p. 5.

²⁸⁶ See *Christchurch North Electoral Roll, 1887*, p. 1; *Christchurch South Electoral Roll, 1887*, p. 1; *Cyclopedia of New Zealand*, vol. 3, p. 282.

²⁸⁷ See *Cyclopedia of New Zealand*, vol. 3, p. 678.

involved in pastoral farming and shipping.²⁸⁸ Lancelot Walker, a runholder, was a former member of the lower house of parliament and currently of the upper house.²⁸⁹ Henry Philip Hill (was he wrongly recorded in Auckland as Walter?),²⁹⁰ who farmed at Dallington, near Christchurch,²⁹¹ took a caveat out on Smith's land on 29 September.²⁹² Alick Anderson, a 'large' shareholder, was a partner in a Christchurch firm of ironfounders and contractors.²⁹³ James Durwood, a Christchurch engineer, had 'considerable knowledge of goldmining'.²⁹⁴ William Henry Hargreaves was a Christchurch auctioneer.²⁹⁵ Francis William Haslam was Professor of Classics at Canterbury University College.²⁹⁶ William Thomas Charlewood, a teacher at Christ's College, was a future merchant and member of the Canterbury Chamber of Commerce.²⁹⁷ Captain Garsia was presumably the Christopher Garsia of Christchurch who gave his occupation as 'gentleman'.²⁹⁸ Of these men, the only one who invested in any other goldmining company during 1887 was Durwood, who had 100 of the 25,000 shares in a company working at Ophir, in Otago.²⁹⁹ Individual interests are unknown, apart from the firm in which Maude was a partner, Harper and Company, which held 7,000 shares.³⁰⁰

As the *Herald* commented, that shares 'were saleable at a premium of £2, although no money has yet been paid on them', proved the promoters

²⁸⁸ See *Cyclopedia of New Zealand*, vol. 3, pp. 115, 311; for his father, see *Cyclopedia of New Zealand*, vol. 3, pp. 105-106; Hunt, p. 114; McAloon, p. 161.

²⁸⁹ See *Cyclopedia of New Zealand*, vol. 3, p. 83; Eldred-Grigg, p. 30.

²⁹⁰ *Auckland Star*, 13 October 1887, p. 5.

²⁹¹ See *Linwood Electoral Roll, 1887*, p. 11.

²⁹² Lands and Survey Department, *Certificates of Title Register Books*, vol. 17 folio 230, Land Information New Zealand, Hamilton.

²⁹³ See Te Aroha Correspondent, *New Zealand Herald*, 18 October 1887, p. 5; *Te Aroha News*, 15 October 1887, p. 2.

²⁹⁴ See *Te Aroha News*, 15 October 1887, p. 2; *Christchurch South Electoral Roll, 1887*, p. 9; *Auckland Star*, 20 October 1887, p. 5.

²⁹⁵ See *Press*, 13 October 1888, p. 6; *Christchurch North Electoral Roll, 1887*, p. 13.

²⁹⁶ See *Press*, 13 October 1888, p. 6; *Cyclopedia of New Zealand*, vol. 3, p. 163.

²⁹⁷ See *Press*, 13 October 1888, p. 6; *Cyclopedia of New Zealand*, vol. 3, pp. 138-139.

²⁹⁸ See *Press*, 13 October 1888, p. 6; *Christchurch North Electoral Roll, 1887*, p. 11.

²⁹⁹ *New Zealand Gazette*, 29 December 1887, p. 1566.

³⁰⁰ *Press*, 13 October 1888, p. 6.

were confident of success.³⁰¹ It was believed that shares would ‘rise to £3 before there is a check. This is making money out of nothing with a vengeance’, in the opinion of one Christchurch journalist, who noted ‘very lively plunging’ by investors.³⁰² Some plunged successfully for short-term gain, while others hoped for long-term profit:

An old Aucklanders now residing in Christchurch who had his eye teeth set well back writes to a friend here that he did very well out of a speculation in Waitoa stock. He applied for some shares, had them allotted and sold out almost immediately afterward, netting something over £100 by the transaction. The same gentleman writes that some of the people interested expected fabulous results. One man was induced to invest £100, the expectation being held out to him that he would receive £4 per week in dividends for years.³⁰³

In Auckland, where shares had not been allotted although investors were free to acquire them from shareholders offering them for sale, the evening newspaper expressed caution, which was reprinted in Christchurch:

To invest money on the bare chance of the field turning out well is very risky. Indeed, to embark everything on the hazard of success would be sheer madness. Our own impression, and it is based upon careful inquiry, besides being fortified by the judgment of experienced miners, is that the field will prove a failure. It is needless to add that we should be only too glad to come to an opposite conclusion should the facts warrant it.³⁰⁴

Anticipations of a payable goldfield meant land bought for £3 an acre doubled in value.³⁰⁵ It was believed Smith sold half his farm for £14,000 and 10,000 fully paid up shares, selling some of these at £2 and £2 16s and obtaining ‘between £25,000 and £30,000’.³⁰⁶ Smith denied these rumours, stating he was paid £14,000 with £2,000 as a down payment, the balance to

³⁰¹ *New Zealand Herald*, 5 October 1887, p. 5.

³⁰² *Press*, n.d., reprinted in *Auckland Star*, 5 October 1887, p. 5.

³⁰³ *Auckland Star*, 20 October 1887, p. 5.

³⁰⁴ *Auckland Star*, 10 October 1887, cited by Auckland Correspondent, *Press*, 12 October 1887, p. 5.

³⁰⁵ *Auckland Star*, 5 October 1887, p. 5.

³⁰⁶ *Waikato Times*, 6 October 1887, p. 2, 11 October 1887, p. 2.

be paid later; of his 7,000 shares, by mid-October he had sold only 100.³⁰⁷ Without the company's records, it is not possible to determine the validity of claim and counter-claim.

THE COMPANY'S PLANS

The half of Smith's farm sold, 1,000 acres nearest to Te Aroha, included his house and the Waihekau Stream. The boundary was 'a straight line from a point about four chains on the north side of where this stream enters the land, to another point abutting on' the road to Matamata. It was 'of great importance' to have plenty of water, but 'there would be very little difficulty' channeling the stream 'to almost any part of the property', and the Waitoa River could also be tapped. On the directors' instructions, Smith arranged for the survey of a township covering about 50 acres for sale 'in sections of a quarter of an acre and upwards'. Adjoining land was stated to have 'been proved auriferous to within about fifteen chains of the proposed township'.³⁰⁸ Smith expected that workmen's cottages would be erected at the same time as the plant.³⁰⁹ The plan indicated that the proposed township, to the south of the Waihekau Stream, straddled the main road to Matamata. Only No. 8 shaft was on the same side of the stream, the remaining workings and the farmhouse being on the eastern side.³¹⁰

A VAST GOLDFIELD?

In early October, on behalf of an unnamed capitalist involved with a second Christchurch syndicate, Cox and Durward (the only shareholder with known mining experience) took out several tons for testing from the 1,000 acres still owned by Smith.³¹¹ The members of this syndicate were not shareholders in the existing company.³¹² As Smith explained, samples were being taken from this half of his farm, 'now under offer at £14 per acre, with time to test it'. Should the trial be 'satisfactory, the land will be purchased

³⁰⁷ *Te Aroha News*, 15 October 1887, p. 2.

³⁰⁸ *Te Aroha News*, 15 October 1887, p. 2.

³⁰⁹ *Te Aroha Correspondent*, *New Zealand Herald*, 5 October 1887, p. 5.

³¹⁰ See map in Mines Department, MD 1, 87/1150, ANZ-W.

³¹¹ *Te Aroha News*, 15 October 1887, p. 2; *Auckland Star*, 15 October 1887, p. 5, 17 October 1887, p. 5, 20 October 1887, p. 5; *Press*, 1 November 1887, p. 6.

³¹² *Te Aroha News*, 15 October 1887, p. 2.

at that figure. I wired down to some friends in Christchurch to put in their applications for shares in the second company, and am sure that they will be worth £1 at once'.³¹³ Durwood was testing several other farms and would negotiate the purchase of any land producing 'satisfactory results'.³¹⁴ Chudleigh's 3,000 acres was already on offer to the second Christchurch syndicate.³¹⁵ Other prospectors were exploring, and several Auckland men accompanied Witheford on another inspection.³¹⁶ Two men took up a 50-acre prospecting claim between Waihou and Te Aroha.³¹⁷ Under the headline 'Property Owners Waking Up', a Morrinsville correspondent described the prospecting on Gould's land, and wrote that two other property owners were 'making arrangements with syndicates of capitalists. Every day proves the extent of the auriferous field'. Francis Dyer Rich, a Lichfield sheepfarmer,³¹⁸ claimed to have the same soil as on Smith's farm 'and to have obtained gold from it'. As Rich's farm was 35 miles distant there could be 'no doubt' that most of the valley was auriferous. This correspondent expected this deposit stretched 'in a belt' from Hamilton to Pirongia, but now warned that it would not be a 'poor man's goldfield',³¹⁹ having become aware of difficulties in extracting the gold. In mid-September, he had noted that several shafts on Smith's land had 'two and three feet of water in them, others are half full, and one, or, I think, two were wholly so'.³²⁰ He now believed 'a costly and systematic plan of getting rid of the immense quantity of tailings' was required, 'and small claims could never contend with the water in winter' or obtain sufficient water in summer.³²¹

Despite the warnings against rushing the district, early in October the Hamilton newspaper noted 'old miners, pick and shovel men, and others' travelling to Waitoa by train.³²² Watching men pass through Hamilton, a correspondent wondered what they would do, as there was 'no available

³¹³ *New Zealand Herald*, 13 October 1887, p. 5.

³¹⁴ *Te Aroha News*, 15 October 1887, p. 2.

³¹⁵ *Te Aroha News*, 15 October 1887, p. 2.

³¹⁶ *Auckland Star*, 30 September 1887, p. 5, 6 October 1887, p. 5.

³¹⁷ Hamilton Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

³¹⁸ *Waikato Electoral Roll, Supplementary, 1887*, p.3.

³¹⁹ Morrinsville Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

³²⁰ Morrinsville Correspondent, *New Zealand Herald*, 16 September 1887, p. 5.

³²¹ Morrinsville Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

³²² Editorial, *Waikato Times*, 6 October 1887, p. 2.

means of trying the stuff other than by sending it to Auckland'.³²³ Another Hamilton correspondent, noting that public expectation was 'being raised to a high pitch', urged men to delay until the field had been developed 'before exposing themselves to privations and delays by rushing to the ground prematurely'.³²⁴

Many expected that great wealth would be found over a wide area. The *Herald's* Rotorua correspondent reported, under the headline 'Gold and Diamonds', that the Tirau and Lichfield districts had 'extensive deposits of the auriferous drift within a few feet of the surface', and that prospecting was likely near Rotorua. There were 'also good indications of diamonds in this neighbourhood, and experienced miners assert that the country in many directions shows exactly the formation and surroundings of the African diamond fields'.³²⁵ No other correspondent matched that forecast, but on the same day the Cambridge one reported quartz specimens coming into that township from nearly all the surrounding hills. 'Some of the old Australian diggers who have settled down here have caught the fever again, and have shouldered the pick and shovel, and are fossicking around'.³²⁶

On 11 October, the *Waikato Times* reported that 'several syndicates representing capitalists in Australia, Christchurch and Auckland' were 'making great efforts' to buy all the lands 'contiguous to the region already found to be auriferous'. It had 'heard on good authority that a large New Zealand corporation has already made overtures to the landowners to buy up all their properties'.³²⁷ Syndicates had gained permission to inspect other blocks and, should they find gold, would purchase land at £10 an acre.³²⁸ Fraser continued to test sands from properties surrounding Smith's farm,³²⁹ and prospecting took place throughout the Morrinsville district 'with varying results'; a publican 'found flaky gold by washing the soil between the site of his old hotel and the railway'.³³⁰ At Hamilton, a man working in the main drain 'panned off some stuff' to find 'some few specks of gold'. Several 'experts' claimed the gravel was 'of the same description as that at

³²³ Hamilton Correspondent, *New Zealand Herald*, 6 October 1887, p. 5.

³²⁴ Hamilton Correspondent, *Auckland Star*, 7 October 1887, p. 5.

³²⁵ Rotorua Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

³²⁶ Cambridge Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

³²⁷ Editorial, *Waikato Times*, 11 October 1887, p. 2.

³²⁸ Editorial, *Waikato Times*, 18 October 1887, p. 2.

³²⁹ *Thames Advertiser*, 18 October 1887, p. 2.

³³⁰ Morrinsville Correspondent, *New Zealand Herald*, 7 October 1887, p. 5.

Waitoa'.³³¹ This was the first and last time that there was talk of a goldfield at Morrinsville or Hamilton, and the unnamed 'experts' did not reveal their identities, wisely.

CAUTIONS

On 6 October, the *Herald* published a report from its Te Aroha correspondent under headlines denoting a more cautious attitude: 'Words in Season. A Timely Warning. Nothing to Induce a Rush'. The fluency of the writing, the careful appraisals, and the understanding of geology suggest that it may have employed John McCombie, its correspondent during the Te Aroha rush,³³² once more.

MORE GOLD DISCOVERIES REPORTED.

The ordinary method of testing an alluvial field appears so far to be useless at Waitoa, and the rich gold said to have been got by the immortal dish process is not forthcoming. I heard of a man who was getting a spoonful of gold from a bucketful of dirt, but on examining further I found it was only mica. To-morrow I am invited to inspect another find of gold, reported to be made at Grant and Foster's settlement [at Shaftesbury], giving good dish prospects, but I am afraid to indulge in the hope of seeing a payable show by dish washing.

WARNING AGAINST A RUSH.

A number of poor men having arrived in the hopes of getting work on the Waitoa goldfield, I would strongly urge others not to come until it is known that men are really required. Several have just arrived from the north of Auckland without funds, and, being unable to get work, have had to sleep out in the tea-tree. Last night they informed me that numbers of gumdiggers were on their way from the North, hence the above warning to impecunious working men.

WAITING THE RESULT.

Capitalists will probably wait the result of the first crushing by the new company, or of new tests, which will take a month or two to complete on the scale proposed. Smith's goldfield is, of course, outside Auckland criticism; it is a Canterbury affair, and, as a Christchurch man remarked, they get all the good things down there, and they appear to have demonstrated the auriferous character of the deposit on this ground to their own complete satisfaction. Arrangements are, however, being made to test other

³³¹ Hamilton Correspondent, *Auckland Star*, 7 October 1887, p. 5.

³³² See *Cyclopedia of New Zealand*, vol. 2, p. 471.

adjacent lands, which will enable extensive and reliable trials to be made.

TIMELY WORDS.

In the meantime I am not aware of any payable find which would warrant me inducing any man to come, excepting as a prospector tries a new country, with the chance of getting nothing or making his pile. Poor men coming here in the hopes of finding a valley of gold are more likely to find it the valley of the shadow of death, if obliged to sleep outside, like those mentioned above, with empty stomachs and the hail descending upon them. This is looking at the very worst aspect of affairs, but even amid a golden prospective it is better to give fair warning to a class who cannot just now receive benefit by coming.

A CHAT WITH MR SMITH.

To-day I visited the property of the Canterbury Company, and was courteously shown over the same by Mr Smith. The auriferous ridge which crosses this ground has been thoroughly prospected by the Christchurch experts, as stated yesterday. The plant is to be erected on a favourable position on a terrace commanding two streams, and about 15 feet above the level of the flat. The following conversation regarding the deposit took place:-

“How many places did you try for gold?”

“We sunk altogether 15 shafts,³³³ and got the same formation in all.”

“Were all gold bearing?”

“All we tried were so to a greater or less extent.”

“Do you think the gold is in leads?”

“I do not think so. It is richer as we go deeper.”

“You have not got to the bottom yet, have you?”

Mr Smith (Laughing): “No; and I don’t think anyone ever will.”

“Do you think the adjacent lands contain similar auriferous dirt?”

“That I cannot say. This nearest shaft I found to be worth £6 per ton, but the land at a distance may be valueless or the reverse, though all our workings have produced gold - some shafts being sunk on richer stuff than others. Near the big boulders we are always sure of getting some gold in the tests.”

A bystander here remarked that Mount Morgan [in Queensland] must be a fool to this field, and Mr Smith said that a friend had compared some of the Mount Morgan crushing dirt with his Waitoa deposit - showing extraordinary resemblance. Mr Smith also showed another shaft sunk on stuff worth 30s a ton for copper.³³⁴

³³³ Printed as 150.

³³⁴ Te Aroha Correspondent, *New Zealand Herald*, 6 October 1887, p. 5.

The Thames newspapers had never shared Auckland's enthusiasm. The *Thames Advertiser* condemned the *Herald's* booming the find because it did not expect Waitoa to be payable, and explicitly rejected any comparison with Mount Morgan.³³⁵ A *Thames Star* columnist considered the *Herald* to be 'suffering from a very bad attack of gold fever', and was amused 'to read the sensational manner in which such a usually staid and matter-of-fact paper ... piles on the agony'. Even supposing the ultimate results equalled 'the most sanguine expectations' of Smith and the company, there was 'no reason whatever for any excitement'. Being 'an auriferous deposit over an immense area' rather than an alluvial goldfield it could 'only be worked by large companies', not individual miners. The *Herald* was viewing 'every reported gold discovery through a magnifying glass', turning a speck of gold into a nugget.³³⁶ Thames miners asked, if the company claimed it could make five pennyweights to the ton pay, why this was not possible at Thames, where 'thousands of tons' contained that amount.³³⁷

On 8 October, the *Herald*, in its first editorial on Waitoa, cautioned men 'against rushing thither in any numbers until the results of experiments now going forward prove more assuring'. Quite apart from the land being private property, the government, to its discredit, had neither ascertained the auriferous nature of the country nor taken preliminary steps to declare it a goldfield. Accordingly, diggers should await further developments, and readers were referred to its latest report.³³⁸ This, probably written by the experienced miner John McCombie,³³⁹ had discouraging headlines: 'Words of Warning. The Waitoa Goldfield. Herald Inquiries. Unfavourable Results. No Dish Prospects. Advice to Diggers. Wait':

The determined action of the Canterbury people in regard to the development of the Waitoa auriferous deposit has so excited public attention that the spirit of prospecting is fairly roused throughout the province, and with a view to obtaining as correct an estimate as possible of the value to be attached to the various reports of gold finds in the Waitoa district, we have had special inspection made of the localities.

³³⁵ *Thames Advertiser*, 10 October 1887, p. 2.

³³⁶ 'Rambler', 'Passing Notes', *Thames Star*, 8 October 1887, p. 2.

³³⁷ Thames Correspondent, *Auckland Star*, 20 October 1887, p. 5.

³³⁸ Editorial, *New Zealand Herald*, 8 October 1887, p. 4.

³³⁹ See paper on Billy Nicholl.

UNFAVOURABLE RESULTS.

The result of our inquiries has been unfavourable, inasmuch as (outside Smith's field) gold was not obtainable by dish washing, though mica was very abundant, and these delusive specks have no doubt been mistaken in nearly every instance for the precious metal itself.

NOT AN ORTHODOX ALLUVIAL FIELD.

It is pointed out, in explanation of there being no show in the dish, that the gold is distributed through the sand in the form of very fine powder, invisible to the eye, and covered with a rusty film due to sulphate of copper or iron. This may be satisfactory in support of the belief that payable gold exists in an unusual form, but it will not remove the impression that the Waitoa field is not proved to come under the category of an orthodox alluvial field. The time-honoured "dish" has thus far been used in vain, and we do not know of a single spot where a digger can go and wash out a prospect.

HOW REPORTED DISCOVERIES ORIGINATE.

At Grant and Foster's settlement a resident reported the discovery of gold by panning off the sand, but when our representative went to try a dish, it is found to be a mistake, the resident candidly stating that the specks of gold must have come off the pestle used in pounding the sand, as subsequent pannings failed to show any traces of gold....

NO GOLD BUT CONDITIONS PROMISING.

Out of a number of investigations made this was the only case where a speck of gold was to be seen, and this was frankly admitted to have been probably brought along from Te Aroha with a well used pestle and mortar. In other cases ... there has evidently been a misapprehension as to its real character, although it may be added that the conditions are deemed to be very favourable for the existence of gold.

ADVICE TO DIGGERS.

It is pleasing to note that the settlers throughout the district are themselves taking an active interest in the search for gold. A few weeks spent by them in prospecting does not entail the loss of time and money which it costs persons taking a trip for the purpose from Auckland, or other equally distant places. It is, moreover, very galling to diggers to be told on arrival at Waitoa that they must not work on the various adjacent properties, which are private and reserved, and that the whole countryside is so locked up. But even if it was Crown land, or a proclaimed goldfield, we would still advise diggers to wait for more substantial developments to be made before going with shovel and dish to prospect in the valley of Waitoa for alluvial gold.

WAIT AND SEE.

Arrangements are being made, which may take considerable time, but will effectually prove the nature and extent of the

auriferous deposit, and it is better for men to wait a few weeks and have decisive information, than expend time and money under the varied uncertainties which now exist.³⁴⁰

Two days later, an article headlined 'Facts and Figures' stressed that the number of tests done outside Smith's farm was 'probably not more than a dozen men could do in a week'. It accepted that the existence of gold 'in the pumiceous quartz sand filling the valley' was 'proved beyond doubt', but determining whether it was payable required larger and more systematic tests. On Larkworthy's estate, shafts were being dug, one alongside Smith's fence and within a dozen chains of the company's one. The deepest shaft, down 35 feet to a layer of 'coarse sand' similar to that 'obtainable throughout the entire area of the valley', was being tested by the Waitoa Prospecting Association of Auckland. Fraser had tested samples taken several miles from the original find, 'and in most instances there was enough bullion obtained to justify further investigation'. But he had noted 'a surprising dissimilarity as regards the relative value of the bullion obtained' from Smith's land compared with elsewhere; the former averaged 'about £3 14s, and the latter about £1 14s per ounce', and there was 'a wide difference in the actual returns per ton'.

Fraser had told the newspaper that its 'warning note to intending diggers' was 'quite correct'. He provided full details of his tests, which had not been previously published because the company's vendors had not wanted these known until they 'made it public in Christchurch'. Now the company was floated, his firm felt at liberty to provide 'the fullest information'. Initial tests in March had produced a bullion return 'of exceptionally high value', but as these samples were very wet assaying was very difficult. When some of the pulp was removed and dried, they had been surprised because 'in nearly every case the result of bullion obtained from the pan was in excess of the assays', the reverse of the norm. The only way this could be explained was that 'heavy particles of gold must have kept near the bottom and not come to the surface, which fact would indicate the possibility of finding an alluvial field'. As some bullion from Smith's land was 'almost pure gold' and tests of other areas also revealed auriferous sands, he believed that there could be a payable alluvial field. Fraser noted that 'about seven tons' had been treated for a result of 'a little over 5oz bullion. One, however, would have thought that the company, before

³⁴⁰ *New Zealand Herald*, 8 October 1887, p. 5.

launching out into a heavy expenditure would have made more extensive tests'.³⁴¹

The following day, the *Thames Star* published its first editorial on Waitoa. 'It would be amusing, were it not painful', to notice how the *Herald*, after working up the find 'to such a sensational pitch as when it announced in prominent head lines that it even eclipsed Mount Morgan', was now endeavouring 'to calm the excitement which it alone had been instrumental in creating'. While other Auckland newspapers had been 'much more guarded and moderate in their accounts', the *Herald* seemed to have lost its head 'and could hardly find capitals sufficient to proclaim the wonderful richness of the so-called field', even suggesting that diamonds might be found. 'After dilating in such absurdly extravagant a style as this, which made it the laughing stock of every sensible man', it was forced to admit that special enquiries proved gold could not be found outside Smith's land and that in nearly every case the mineral found was probably mica. 'What a descent from the sublime to the ridiculous!' The *Herald*, 'having discovered the true character of the "find" ', should have allayed 'the unhealthy excitement with its attendant injurious effects on a too credulous public which it had been the means of causing', but instead had persisted in raising hopes of further discoveries. Its actions had been

so outrageously extravagant, and so utterly unexpected from a journal with its reputation that it is difficult to account for. We fear the amount of injury which it has, and will yet have, been the cause of inflicting through its sensational and unreliable statements, will be very great, and will create a feeling of distrust which it will be difficult to dispel. Once deceived, as they have been by the Herald's exaggerated announcements, the public will not be very ready to believe in the future what it may have to chronicle in the way of further gold discoveries.

The newspaper would be glad if a valuable discovery had been made, but pointed out that only some of the assays corroborated the claims. 'There would be no difficulty whatsoever in getting infinitely more favorable tests in any quantity' anywhere in the district than the 27 tests of other farmers' land published in the *Herald* 'which ranged from 5s 2d per ton upwards', and warned that assay values were 'very different from what the actual returns would be from a bulk parcel'.³⁴²

³⁴¹ *New Zealand Herald*, 10 October 1887, p. 6.

³⁴² Editorial, *Thames Star*, 11 October 1887, p. 2.

In the same issue, the newspaper referred to Wilson's four samples, which could be inspected in his office. There was 'not the slightest trace of minerals of any description, nor can the least prospect of gold be obtained from panning off' the first three; the fourth comprised water-worn fragments of dark brown quartz. 'We think that miners who see it can come to no other conclusion than that no person other than one altogether inexperienced in mining would ever dream of finding gold in the stuff', which was 'of a very unique description'.³⁴³

ERECTING A PLANT

In early October, Smith explained the company's plans:

Messrs George Fraser and Sons will have the first offer to put up a plant like their own experimental plant, which has just rendered such signal service in extracting almost invisible gold out of Waitoa sand. The cost of the new plant will be £6,000, to treat not less than 400 tons per week, everything to be complete in four months. If the stuff pays to treat with this plant, more will be erected at once.³⁴⁴

This arrangement was immediately abandoned because 'the parties were not able to come to terms'. There was disagreement about how many shares would be allotted to Fraser, who had offered to erect the works 'on certain terms' but the shareholders proposed an unacceptable change, which the *Herald* understood related mainly to time payments. Fraser considered his offer had been liberal and that 'the modifications asked would involve the locking up of a large amount of capital'. His firm felt 'a little sore' over the allotment of shares and 'the contract for the plant, as it was entirely on the result of their tests that the company was formed'. He was testing samples for Auckland syndicates and would probably erect plants for them.³⁴⁵ Originally, he had been allotted 500 shares, but his firm now abandoned its interest.³⁴⁶

The real reason Fraser lost the contract was that, whereas his plant would cost £6,000, Price Bros. of Thames could erect a similar one for

³⁴³ *Thames Star*, 11 October 1887, p. 2.

³⁴⁴ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

³⁴⁵ *New Zealand Herald*, 6 October 1887, p. 5.

³⁴⁶ *Auckland Star*, 13 October 1887, p. 5.

‘somewhat over £4000’.³⁴⁷ In mid-October, Alick Anderson of Smith’s company and Alfred Price, the dominant partner in Price Bros.,³⁴⁸ selected a site for the plant, which was to be erected by 1 February. One notable feature was ten amalgamating pans and settlers instead of the usual one settler to every two pans; it was expected the sands could be put through much more quickly than ordinary tailings. The Waiheke Stream would be diverted to provide water for the steam-driven machinery. It was expected that 500 tons would be treated each week, but as the deposit was ‘altogether so different from that commonly treated’ Price ‘declined to give any opinion’ as to what quantity could be satisfactorily treated ‘in a given time’.³⁴⁹ Smith must have shared Price’s uncertainty, for in mid-October he intended taking a parcel to Melbourne for treatment by the Newberry-Vautin chlorination process.³⁵⁰

MORE TESTS IN AUCKLAND

During the first week of October, Witheford, along with John Brown, owner of a Thames tailings plant,³⁵¹ Pond, and Ernest Hanbury Whitaker, assayer at the Auckland branch of the Bank of New Zealand,³⁵² inspected the field on behalf of the Waitoa Prospecting Association to ascertain the value and extent of the deposit and the best method to prove it would ‘pay to work’.³⁵³ Witheford had obtained offers of ‘large areas’ to mine if proved auriferous.³⁵⁴ Pond and Whitaker bored around each of Smith’s shafts and Pond spent a week prospecting adjacent properties.³⁵⁵ They then returned to Auckland with about a ton of samples ‘all neatly done up in canvas bags, each containing about 30lb or 40lb weight’. To avoid mistakes, each bag was sealed and labelled to show where the contents came from. Pond stated that

³⁴⁷ *Waikato Times*, 11 October 1887, p. 2; Thames Correspondent, *New Zealand Herald*, 13 October 1887, p. 5.

³⁴⁸ See *Observer*, 9 March 1907, p. 5.

³⁴⁹ *Te Aroha News*, 15 October 1887, p. 2; *Auckland Star*, 15 October 1887, p. 5; *New Zealand Herald*, 31 October 1887, p. 6.

³⁵⁰ *Te Aroha News*, 15 October 1887, p. 2.

³⁵¹ *New Zealand Herald*, 20 September 1887, p. 5.

³⁵² See *Waikato Times*, 11 October 1887, p. 2; *Auckland Central Electoral Roll, 1887*, p. 27.

³⁵³ *Waikato Times*, 11 October 1887, p. 2.

³⁵⁴ *New Zealand Herald*, 14 October 1887, p. 5.

³⁵⁵ *Waikato Times*, 11 October 1887, p. 2.

all the 'dirt' was 'similar in character, although taken at various depths ranging from a few to 20 feet'.³⁵⁶

Whilst results from these samples were awaited, rumours circulated that Smith had been offered £14 per acre for the remaining half of his farm and a neighbour had declined an offer of £7. Amongst the visitors were the mayors of Hamilton and Cambridge, and the same deposit was reportedly found on other farms. 'Active enquiries for land have been made from large capitalists', but landowners were 'not prepared to treat at present'.³⁵⁷ The visitors returned bearing specimens and were 'firmly convinced with the prospect'.³⁵⁸ The mayor of Hamilton, Charles John W. Barton,³⁵⁹ who had participated in the Te Aroha rush,³⁶⁰ remarked that the field was 'as right as rain'.³⁶¹

According to an *Auckland Star* article headlined 'Forebodings of Failure: Necessity of Extreme Caution', Pond was convinced both by his recent visit and his having, over the past three years, analyzed 'stuff from different parts of the Waikato, that alluvial gold' was to be found 'over the entire country' between Waitoa and Pirongia. The only question remaining was whether it existed 'in payable quantities, and the latest ascertained facts and experiments do not tend to raise one's hopes'. John Brown, 'a practical miner', was 'strongly inclined to think' it did not. Since the beginning of 1885, Pond had tested samples from Tamahere, Ngāruawahia, and Pirongia, finding 'distinct traces of gold' in all, the richest being the latter. But 'the stuff - especially that from Waitoa - is so thickly impregnated with mica that the glittering appearance presented by these worthless specks is doubtless responsible for some of the many reported discoveries'. The newspaper assessed the prospects:

So far, there is nothing to justify a rush to Waitoa, but a great deal to discourage sanguine expectations, and to induce extreme caution. To invest money on the bare chance of the field turning out well is very risky; indeed, to embark everything on the hazard

³⁵⁶ *Auckland Star*, 8 October 1887, p. 5.

³⁵⁷ *Auckland Star*, 8 October 1887, p. 5; *Waikato Times*, 11 October 1887, p. 2.

³⁵⁸ Hamilton Correspondent, *Auckland Star*, 10 October 1887, p. 5.

³⁵⁹ The electoral roll recorded him as John Charles W. Barton; he was a hotelkeeper: *Waipa Electoral Roll, 1887*, p. 2.

³⁶⁰ See Barton's letter of 27 October 1930, reprinted in *Te Aroha and the Fortunate Valley: Pioneering in the Thames Valley 1867-1939*, ed. F.W. Wild (Te Aroha, 1930), p. 349.

³⁶¹ Hamilton Correspondent, *Auckland Star*, 10 October 1887, p. 5.

of success would be sheer madness. Our own impression - and it is based upon careful enquiry - besides being fortified by the judgment of experienced miners - is that the field will prove a failure. It is needless to add that we should be only too glad to come to the opposite conclusion should the facts warrant it.³⁶²

When Wilson took some more samples to Thames, miners there were surprised that 'dish prospects' could not be obtained 'upon panning-off, as the stuff contains no minerals whatever. Experienced miners say that but for the fact that the tests made in Auckland have shown that the stuff contains gold, they would scorn the idea as an absurdity'. The results of Pond's tests were 'looked forward to with some interest', but there was 'not much likelihood of the district being rushed by Thames miners'.³⁶³

Smith's response to these doubts was to seek further advice. On 11 October, he visited Auckland 'determined to have his land thoroughly tested' to find the best process.³⁶⁴ He believed large areas would produce at least £1 per ton, and that the eastern side of the zone was noticeably richer than the western side (near Larkworthy's property).³⁶⁵ The subsequent issue of the *Herald* raised the question of 'Mr Smith's Moanataiari Slide'. This geological oddity was

proved by the fact of some twenty tests having been made on the west side, nineteen of which, from stuff outside of Mr Smith's fence, yielded nothing, the only one giving any result having been taken from a spot just inside Smith's boundary. This phenomenon is humorously regarded as coincident with the celebrated Moanataiari slide on the Thames goldfield. We do not attempt to give an opinion on this subject, but it would be very surprising if Mr Smith's fence proved, like the Moanataiari slide, the line of demarcation between the payable and unpayable ground, and cut off the golden deposit just on the threshold of his neighbour's estate.

MORE PROSPECTING.

Mr Smith, however, believes Mr Chudleigh's land, to the east of his (Smith's) late property, to be most highly impregnated with gold. Sample parcels from this land are now being broken out by Mr Percy Cox and Mr Durward, of Christchurch.... When Mr

³⁶² *Auckland Star*, 10 October 1887, p. 5.

³⁶³ Thames Correspondent, *Auckland Star*, 12 October 1887, p. 5.

³⁶⁴ *New Zealand Herald*, 12 October 1887, p. 6.

³⁶⁵ *New Zealand Herald*, 13 October 1887, p. 5.

Chudleigh was at Waitoa some weeks ago he took sand from six holes, and found gold in all of them.

WAS THE STUFF SALTED?

Regarding the comparatively rich returns obtained by consecutive trials of sand from Mr Smith's land, the following conversation took place:-

"Have you any idea, Mr Smith, that the gold may have been put in the sand before being tested?"

"No, the trucks were loaded straight from the ground. If there was any 'salting' of the deposit it has been done at the other end - not at Waitoa...."

"Do you think it was possible for anyone about your place to have put gold in the stuff to make the samples go richer?"

"I have no reason to be suspicious of anyone. The last two tons, taken out during my absence by [Robert Bruce Baker] Willis, went about 30s and £2 per ton respectively."

"You do not think the stuff was salted, then?"

"No, and if the Canterbury people were to say 'You can have the land back again,' I would start work at once, put a plant on the ground, and take out gold...."

"You do not think that there has been any tampering with the stuff to make it yield better?"

"If there has been, it was at this end. None of my neighbours are so deeply interested in the concern as to do anything. Mr George Wilson, Inspector of Mines at Te Aroha, was quite satisfied, the samples he took being from the boulders. One test went at the rate of £18 to the ton, another £6 14s, and one taken from the bags ready to go to Fraser's went £1 14s. If anyone thinks the stuff salted, he should try it for himself. I do not think it possible for anyone to have done it."

In this exchange, Smith seemed neither surprised nor offended when possible salting was raised, despite the most likely person to have done this being himself, although he diverted attention by suggesting any salting had been done at Auckland. The remainder of the article cited Algernon Thomas of Auckland University College noting that Smith's samples

invariably produced rich colours of gold, of a character which has made experts regard with surprise the inferior looking bullion which comes from surrounding property. A facetious proposition was made by a digger, that there must have been a volcanic eruption, and at the time the richer gold came up out of the bowels of the earth the prevailing wind blew all the richest specks to the place where Mr Smith's paddocks and shafts now exist.

Alexander Montgomery, of the Thames School of Mines,³⁶⁶ was ‘unable to obtain a colour by the dish test samples from both Larkworthy’s and Smith’s land’, and declined ‘to offer any decided opinion as to the field’.³⁶⁷ Alexander Hogg, a pioneer of the Thames goldfield and involved in mining as well as storekeeping at Thames, Ohinemuri and Te Aroha,³⁶⁸ took samples from the first shaft on Smith’s farm and reported specks of coarse gold and ‘excellent prospects’. However, ‘other persons of great experience have just returned from the district, having tried numerous prospects on Smith’s and Larkworthy’s properties, but did not succeed in raising the colour’.³⁶⁹

A Te Aroha meeting on 11 October wanted Montgomery to be stationed there for a month or more to assay the sands.³⁷⁰ This was proposed by John Frederick Cocks, in his youth a miner at Thames but then an upholsterer, draper and auctioneer at Te Aroha as well as an investor in Waiorongomai mines since 1882, and who in the following years made an unsuccessful attempt to be a mining contractor.³⁷¹ This proposal was ignored.

³⁶⁶ See *Cyclopedia of New Zealand*, vol. 2, pp. 475-476.

³⁶⁷ *New Zealand Herald*, 13 October 1887, p. 5.

³⁶⁸ See Thames Warden’s Court, Miner’s Right no. 818, issued 7 October 1867, Register of Miners’ Rights 1867-1868, BACL 14358/1a; for examples of his extensive investments in Thames mining, see Thames Claims Register 1868, folio 310, BACL 14397/1a; Thames Claims Register 1868-1869, nos. 411, 441, 610, BACL 14397/2a; Thames Claims Register 1869, nos. 1475, 1790, 1811, 1820, 1828, BACL 14397/4a, ANZ-A; for examples of his investments in Ohinemuri mining, see Te Aroha Warden’s Court, Register of Ohinemuri Claims 1875, folios 20, 97, 330, BBAV 11568/1a, ANZ-A; for his small involvement with Te Aroha, see Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888, folio 175, BBAV 11567/1a, ANZ-A; *New Zealand Gazette*, 24 February 1881, p. 258, 28 April 1881, p. 476.

³⁶⁹ *New Zealand Herald*, 13 October 1887, p. 5.

³⁷⁰ Te Aroha Correspondent, *New Zealand Herald*, 13 October 1887, p. 5; *Te Aroha News*, 15 October 1887, p. 2.

³⁷¹ For his being a miner at Thames, see Notices of Intentions to Marry, Births Deaths and Marriages, BDM, 20/18, folio 185, ANZ-W; for his Te Aroha occupations, see *Thames Directory for 1886* (Thames, 1886), p. 150; *Waikato Times*, 9 January 1886, p. 2; *Te Aroha News*, 2 July 1887, p. 2; for his investments, see for example, Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888, folios 252, 254, 284, BBAV 11567/1a; Register of Licensed Holdings 1881-1887, folios 55, 57, 62, 111, 129, 147, 148, 154, BBAV 11500/9a,

POND'S AND FRASER'S REVELATIONS

On 13 October, the *Auckland Star* tried to discover the content of Pond's report. Although full details were being kept private, it was 'freely stated' at the Stock Exchange that all the assays bar one 'were barren of gold'. Pond refused to provide details, for having been employed by the Waitoa Prospecting Association he could not release these until it had received his report. The newspaper then revealed the latest theories:

The idea prevalent regarding the deposit is that it may prove payable, but that some unknown person has been assisting nature with gold filings. Whether or not such is the case it is of course hard to say. No doubt the fact of the returns from Mr Smith's property being so uniformly rich has aroused grave doubts in the minds of practical men. This is the more noticeable because everything discovered outside Mr Smith's boundary shows inferior bullion, and a smaller quantity per ton.

As it was 'not beyond the bounds of possibility' that Smith's ground was richer than adjoining properties, Sir Frederick Whitaker, who had received Pond's report, wanted a further test of 20 or 30 tons. While there was no doubt that 'stuff concerning which there can be no suspicion of "salting" ' would return from £1 to £1 10s per ton, the necessarily 'complex process' meant there was 'scarcely any chance of it proving remunerative'.

Interviewed, Fraser explained that the seven tons he tested for the Christchurch company were sent in unsealed sacks. Asked how he would have collected and transported these samples, he replied that he would have 'taken the stuff out of the ground myself, placed it in new bags that could not have been tampered with, and sealed the bags'. Asked if the results were satisfactory, he said they were 'very variable'.

Reporter: It is currently stated that there was a wide discrepancy between the bullion results and the assay from the "pulpes."

Mr Fraser: Yes that is so and it struck me as being very peculiar. I accounted for it by the fact that the heavy gold kept to the bottom and only the fine gold was distributed through the pulp.

Reporter: During the process of treatment did you try dish washing?

ANZ-A; for attempting to be a mining contractor, see *Te Aroha News*, 31 October 1888, p. 2, 9 March 1889, p. 2, 11 May 1889, p. 2.

Mr Fraser: Yes, once or twice, but we barely saw the colour. It did occur to me that it was strange that there should be so much gold in some of the assays, and that I should see so little gold in the stuff. Why, one test recently made from a small parcel gave £100 per ton value from one part, £60 from another, and about £1 16s from a third - all from the same parcel.

He then explained that his firm had given up its interest in the company.

Reporter: Now it is said if this stuff be "salted" it would probably have been through gold being placed in the bags prior to the stuff being placed therein.

Mr Fraser: As to the salting you must excuse me from expressing an opinion. We have lately shaken out several of the bags and obtained rich dish prospects. However you can see for yourself.

Our representative, accompanied by Mr Fraser, then proceeded to a small laboratory on the premises.

A sack marked 14 x, and which had contained a portion of the Waitoa stuff, was brought and shaken out in an ordinary miner's pan. The dust placed in the pan probably weighed 1 to 1 1/2lb. This was panned off and the result was a wonderful "prospect" of copper coloured gold. Mr Fraser then provided a microscope and several coarse grains were placed on the slide. The gold thus examined resembled the colour of standard or coin gold, the particles were neither water-worn nor "shotty" being on the contrary rough edged.

Our reporter having thanked Mr Fraser, withdrew.³⁷²

The *Herald* headlined its report on the investigation by Pond, Witheford, and Brown for the Waitoa Prospecting Association: 'How Came It There? The Waitoa Gold. Result of Mr Pond's Tests. Very Suspicious. Seen Through the Microscope. "It Looks Like Filings" '.³⁷³ They reported that 'numerous trials of dish-washing were made on Smith's property and in various parts of the district, with the result which satisfied them that such method of testing for payable gold was not the correct one, or, if it was, that the gold seen was not indicative of a payable field'.³⁷⁴ Pond detailed how, in Smith's presence, he had bagged material from five shafts. Bores produced traces of colour when panning off. An assay of sands taken from No. 4 shaft

³⁷² *Auckland Star*, 13 October 1887, p. 5.

³⁷³ *New Zealand Herald*, 14 October 1887, p. 5.

³⁷⁴ *Auckland Star*, 14 October 1887, p. 5.

gave '2oz 12dwt 6gr standard gold, without any trace of silver, equal in value to £10 per ton'. As well, 'assays from stuff lying at the top of Nos. 1 and 2 shafts, gave each 19dwt 14gr per ton of standard gold, no silver', which, according to the sub-heading, was 'A Surprising Result'. Pond 'had never before seen gold like this under the microscope'. He had been the first to receive samples from Smith, in January, 'which he carefully saved, as they were so rich'. The 'bag of stuff' brought by Kelly had 'first raised the curiosity of Mr Whitaker and himself'.

During the ensuing discussion, Pond told the members of the association they could not recommend continuing prospecting.

There was, of course, the fact that several of the assays gave a large percentage of gold - one being pure gold - and if they liked to accept that as a sufficient reason for going on, after they had seen its peculiar appearance through the microscope, they could do so, but he, for one, would not. He made no charges; he simply went upon the results of his assays. A number of questions were then asked. It was stated that Mr Smith had afforded the committee every facility for prospecting his land, and had kindly assisted them in working the rods at the first bore sunk, and that no objection of any kind had been made to their proceedings.³⁷⁵

(By which it may be taken that Smith was not being accused, at least not openly, of salting the sands or being responsible for the gold's 'peculiar appearance'.) Assays revealed that all the adjoining properties were valueless. The members then went to Pond's laboratory to view the gold under a microscope:

Their appearance was peculiar, decidedly peculiar. They were mostly spiral in shape, having a rough graining on the inside and a smooth and clean face on the outside, resembling in every particular some iron borings which Mr Pond had significantly placed on the table to suggest their origin. Two or three gentlemen present, who were thoroughly acquainted with the character of alluvial gold, at once declared that the specimens exhibited were not wash gold, and all were convinced that they looked decidedly suspicious.

GOLD FILINGS.

Mr Pond, on being questioned, said it was evident that the gold was not natural gold. Its character was in every particular similar to filings or borings, just as if a sovereign had been turned on a lathe. There could be no doubt about it. Then to an analyst

³⁷⁵ *New Zealand Herald*, 14 October 1887, p. 5.

the absence of silver was a most significant matter. There was no silver in the English sovereign. The opinion which all arrived at was that Mr Pond had accurately indicated the true character of the specimens.

HOW CAME IT THERE?

The question which has now to be answered is: How came this gold to be where it was? This is not a question for the Prospecting Association to deal with. Their task has finished. It is for others to solve the riddle, and the public will await with curiosity this interesting attempt.³⁷⁶

The members 'all concurred with' Pond's interpretations of the assays and that 'gold in natural deposits' did not exist in payable quantities.³⁷⁷ Ernest Whitaker was neither interviewed at this time nor during the ensuing controversy, but 18 years later the *Observer* claimed he had first discovered the filings by using a microscope. 'His suspicions were first aroused' by their being spiral in shape. He then 'detected in one of them a part of a letter, suggesting at once that they had come from a new sovereign. This theory was established as a positive fact by further examination'.³⁷⁸

NEIGHBOURLY SUPPORT

The *Herald* immediately set out to solve the mystery of salting by interviewing Smith's neighbour, Willis, who had been negotiating to sell his 240 acres if tests proved the district to be auriferous. He related that when Strange had owned the land, he had been asked by one of his workers 'what he would give him if he showed him some gold on the place. He said he knew where there was gold on the land', but at the time this was not taken seriously. 'The first intimation I had about the gold was that Mr Smith said to me that I would be astonished at something I would hear soon. Afterwards he told me that he had found gold on his place'. He had known Smith 'for some 15 years', and 'a more honourable man never stepped. I myself have taken out most of the stuff, Mr Smith, of course, paying me for my work'.

³⁷⁶ *New Zealand Herald*, 14 October 1887, p. 5.

³⁷⁷ *Auckland Star*, 14 October 1887, p. 5.

³⁷⁸ *Observer*, 18 November 1905, p. 4.

I can say that none of the stuff has been salted by Smith or anybody else. He could not have done it. I dug it out, and put it in the bags myself. Smith never came to the place where the stuff was taken in the presence of the three gentlemen who came up from Canterbury except in their presence. They pointed out where the shafts were to be dug, and said what stuff was to be taken. The last two shafts, Nos. 17 and 18, Mr Smith has had stuff tested from. Mr Smith asked me if I would dig the shafts. He had heard some of the reports about the stuff being salted, and he said to me, "Don't touch the ground till I am away from the place. There are rumours about salting; people don't seem satisfied, and I will have nothing to do with taking the stuff out." I dug the shaft and took out the stuff, and the result of the tests was equal to the rest. Mr Smith showed me where he thought the hole should be dug, but I went several yards away, in order to secure a run for any water. Out of No. 18 I took some pieces of stuff the size of a 2lb loaf. Mrs Smith happened to come to ask me how I was getting on. I gave her a piece broken off one of the lumps, and she took it to the house. Next day I looked at it through a microscope, and I saw three specks of gold. Nothing could be seen by the naked eye. From the time that that stuff was dug until after the assay Mr Smith was on the ocean,

on his way to Christchurch. Two experienced South Island miners took out these last samples, to be tested in Australia. 'I believe myself that no man could have acted more fairly and honestly than Mr Smith in the whole matter'.³⁷⁹

That Smith was aware of rumours he had salted samples indicated that this had been discussed before Pond and the Auckland party took samples. The *Waikato Times*, which doubted there had been any salting, after quoting Willis' denial that Smith would be responsible for anything so dishonourable, commented, 'Mr Smith we know, and we can speak with Mr Willis on his behalf'.³⁸⁰ The *Auckland Star* agreed that, as 'an old and respected settler at Waitoa', Willis' judgment was to be taken seriously.³⁸¹

SALTING DISBELIEVED AND BELIEVED

In response to the charge of salting, the directors of company announced their satisfaction 'that every precaution was taken to prove the

³⁷⁹ *New Zealand Herald*, 14 October 1887, p. 5.

³⁸⁰ Editorial, *Waikato Times*, 15 October 1887, p. 2.

³⁸¹ *Auckland Star*, 14 October 1887, p. 5.

bona fides of the discovery'.³⁸² Shareholders concurred: the *Auckland Star* received two private telegrams, the first stating that confidence was unshaken and the second that the sender could 'sell good parcels of Waitoa shares at yesterday's quotations'.³⁸³ The following day, shares were sold for £2 12s: 'those interested regard Professor Hutton's report as conclusive evidence of the value of the deposit'.³⁸⁴

It was then reported that Professor Thomas, 'an expert in the use of the microscope', who had obtained some samples taken from Smith's land before Pond and Whitaker visited, not only had failed to find anything auriferous but had not seen any curled and twisted particles.³⁸⁵ A *Herald* reporter then interviewed Professor Brown, who considered that any gold was unlikely to be payable. Asked about the salting, Brown responded, 'Oh, that takes away all interest from the discovery'.³⁸⁶

Hamilton residents, having been informed that Pond's report would be satisfactory, when it 'was read and the news it contained passed from mouth to mouth' responded 'as though some public calamity had fallen upon the country'. Later, when several men 'interested in the fate of the field - and who is not? - met', they 'calmly discussed the matter'. None believed either Smith or the Canterbury investors had salted the sands, considering differing results reflected patchiness, 'a characteristic of all gold deposits', and were not convinced the filings were from English sovereigns, for no test had been made to detect the alloy used to harden the coins. (The editor interposed that sovereigns were alloyed with copper, which was lost in the assay process.) 'In the present uncertainty, but with such rays of hope as the Waitoa Prospecting Company's operations afford in No. 5 bore, it was resolved to endeavour to raise the means in Waikato to give the field a thorough and unchallengeable test'.³⁸⁷

The first *Waikato Times* editorial after Pond's revelations admitted that, because of the suspicion that Smith's discoveries were 'all moonshine' aided by filings, 'things seem unsatisfactory'. It noted that the *Herald* was not prepared to 'accept this dictum as either a final or worthy judgment of

³⁸² Christchurch Correspondent, *New Zealand Herald*, 15 October 1887, p. 5.

³⁸³ *Auckland Star*, 14 October 1887, p. 5.

³⁸⁴ *Auckland Star*, 15 October 1887, p. 5.

³⁸⁵ *New Zealand Herald*, 15 October 1887, p. 5.

³⁸⁶ *New Zealand Herald*, 17 October 1887, p. 6.

³⁸⁷ Hamilton Correspondent, *New Zealand Herald*, 17 October 1887, p. 6, with editorial comment.

the character of the deposits or of their finder', and that gold had been found 'on different occasions by unconnected parties in different localities', including Fencourt, near Cambridge. It suspected the motives of the Auckland association 'in view of the strenuous efforts' made by Aucklanders 'to gain possession of the whole of the private lands'. While not knowing anything about this association, it had 'heard that for "ways that are dark, and tricks that are vain," in matters of speculation Auckland beats the heathen Chinees'.³⁸⁸ Believing that patchy gold would be found, it wanted the government to arrange proper testing.³⁸⁹ Three days later, another editorial stated that the more it considered the report the less it believed the goldfield was 'the swindle they would have the public believe it to be'. As the five borings in solid ground could not have been salted, the results merely proving the deposit was not uniform, demonstrating the correctness of its call for the government to resume and test the land in preparation for proclaiming auriferous areas as goldfields. Pond's assays had proved there were payable quantities of gold, evidence that was 'the more valuable as coming from those who decry the character of the field'.

The gentlemen from Canterbury are men of exceptionally high character. We would no more suspect them of having "salted" the Waitoa stuff for the purpose of deceiving the public in one direction than we would assume that members of the Waitoa Prospecting Association had "salted" it with coined gold filings in order to deceive the public in another direction, for if there are "bulls" there are "bears" also [people trying to raise or lower share prices]. The one we should hope would be as improbable as the other, and therefore we shall say no more upon the salting question.

Gold alloyed with copper would explain the filings; their spiral shape was explainable by gold being found in many shapes in Hauraki, including 'an exact imitation of the most delicate moss'. That Smith had drawn attention to the coppery colour in one shaft by naming it 'the copper shaft' spoke 'eloquently for his ingenuousness, and was not the act of a man who knew that his samples had been "salted" with gold of that particular colour'.³⁹⁰

³⁸⁸ Editorial, *Waikato Times*, 15 October 1887, p. 2.

³⁸⁹ *Waikato Times*, 15 October 1887, p. 2.

³⁹⁰ Editorial, *Waikato Times*, 18 October 1887, p. 2.

Thames residents were more willing to accept Pond's revelations. On the day that reports of salting were published, the *Thames Advertiser* reported that 'several old diggers who were attracted there by "Granny's" glowing reports' were 'vowing vengeance'.³⁹¹ (Granny was the *New Zealand Herald's* nickname.) It accepted without question that filings had been used. 'Grave doubt in the minds of practical men' had been aroused by returns from Smith's property being 'so uniformly rich' and everything outside his boundary being 'inferior bullion'.³⁹² If the gold was equal to the standard value of gold coins, it was 'the most barefaced swindle that has ever been perpetrated upon an unsuspecting public'. The scandal was 'another injustice to goldmining, because it affords an opportunity to those who are in the habit of traducing that industry to give it a stab in the dark. Some of these good Samaritans think that "miner" is synonymous with the term "swindler"'.³⁹³

The *Thames Star* reported Pond's findings under the headline 'The Waitoa Bubble'.³⁹⁴ Its editorial stated that the 'not altogether unexpected' test results were a cause for regret. Because of Pond's position and 'high reputation as an analyst, everything coming from him will doubtless have great weight', and the *Herald* now realized it had made 'a very great mistake' in working up the excitement. 'The most searching investigation' was needed to discover the perpetrators, not only because of 'the pecuniary loss ... sustained by those who have been so grossly deceived' but because of 'the very damaging effect' on the Thames goldfields.³⁹⁵

The *Herald's* editorial of 18 October moderated and even retracted some of its previous statements. Referring to its latest reports, it accepted that, 'whatever doubts may be entertained by some of the results obtained from the samples' taken from Smith's property, it was 'indisputable' that gold was 'pretty widely distributed' in the valley. It was particularly impressed with the 'unvarnished record of facts' in Alexander Hogg's letter (published in this issue) about obtaining payable samples from 'the stuff lying in the vicinity of the shafts' on Smith's farm. That the process used 'was resorted to in the face of a prejudice begotten of the suspicion that the gold had been put into the samples' and the specks of gold found 'strictly'

³⁹¹ *Thames Advertiser*, 13 October 1887, p. 2.

³⁹² *Thames Advertiser*, 14 October 1887, p. 2.

³⁹³ *Thames Advertiser*, 17 October 1887, p. 2.

³⁹⁴ *Thames Star*, 14 October 1887, p. 2.

³⁹⁵ Editorial, *Thames Star*, 14 October 1887, p. 2.

resembled 'the grains found in the Te Aroha district' went 'a long way to invalidate the salting theory'. Payable samples from up to two miles from Smith's land left 'no room for any other inference' than that the deposits were 'widely distributed' and likely to extend 'through the whole length of the Waitoa Valley, as also through the Waikato and the district stretching beyond towards Taupo'. Once again, it called for 'a thorough prospecting of the probable field', under government auspices.³⁹⁶

Hogg's letter described how he, with two friends, had arrived at Smith's farm as the latter 'was leaving to select a site for a township. Apologising for his absence, a farm hand was instructed to show where the shafts were put down, and to give our party whatever assistance was required'. He found 'a splendid prospect in the form of sharp needle-looking specks, deep copper colour, intermixed with black sand and iron pyrites. The prospect being so very good, I put it through the acid test, and satisfied myself it was gold'. When Charles Rhodes, assayer for the Bank of New Zealand at Paeroa,³⁹⁷ tested some of his sample in the presence of McCombie and others, the result 'surprised them all', for it revealed payable gold. Hogg, who had sent the remainder to the Thames School of Mines, had 'no interest further than that the truth should be known'.³⁹⁸ The School of Mines found a 'strong trace of gold',³⁹⁹ an unpayable result not known when the letter was written.

In the same issue, the *Herald's* Hamilton correspondent, who had learnt from private letters 'that the utmost indignation prevails at Waitoa' against the Auckland association, noted other satisfactory tests. 'Neither at Waitoa nor in Waikato' was 'confidence in the bona fides of the field really shaken'. Smith was 'very angry, and operations will be briskly carried on by the Canterbury people'.⁴⁰⁰ Alick Anderson, a leading shareholder, had accompanied Smith to Waitoa to conduct further trials. A Te Aroha correspondent heard of 'further trials in different places' reputedly yielding 'fair returns', the lowest result being just over £1 per ton from the seven shafts on Chudleigh's land. Te Aroha residents had 'not yet jumped to the

³⁹⁶ Editorial, *New Zealand Herald*, 18 October 1887, p. 4.

³⁹⁷ See *Observer*, 15 September 1900, p. 8, 17 May 1902, p. 4, 28 February 1903, p. 16.

³⁹⁸ Letter from Alexander Hogg, *New Zealand Herald*, 18 October 1887, p. 5.

³⁹⁹ Thames School of Mines, Assay Book 1887-1889, October 1887, no pagination, School of Mines Archives, Thames.

⁴⁰⁰ Hamilton Correspondent, *New Zealand Herald*, 18 October 1887, p. 5.

conclusion so hastily arrived at elsewhere that the whole affair has been a fiasco'.⁴⁰¹

Three West Coast miners abandoned their employment on King Country railway works after being shown samples of conglomerate which reminded them of similar, and payable, West Coast stone.⁴⁰² These experienced men, led by A. Dixon (first name not traced), who had mined for 18 years, prospected 'on behalf of a large number of men' who were 'ready to "rush" the field' if they reported favourably.⁴⁰³ And a Captain McGillivray had had a trial test made by a Sydney bank, 'the result being at the rate of 14dwt of gold 2oz of silver. The gold was of a scaly nature, and evidently the natural product'.⁴⁰⁴

The *Herald* reports ended with a consideration of the likelihood that a good goldfield would be established. That many other successful fields had been declared duffers in their early stages by both miners and geologists was one reason why hope should not be abandoned. The latest reports had prevented a rush, but the journalist hoped prospecting would continue, for Waitoa was 'situated in the great mineral belt which is traceable through New Zealand (the only break above sea level being at Cook Straits)'. Because he believed this mineral belt was 'highly auriferous', he wanted systematic prospecting to trace the payable wash dirt through the valley and on to the presumably auriferous reefs of the King Country and Taupo.⁴⁰⁵

The *Herald's* Paeroa correspondent interviewed Rhodes about Hogg's sample. 'Being somewhat suspicious of the result' he 'examined the prospect through a powerful microscope', and made 'no secret of his opinion that it was not natural gold'. The later assay 'proved the gold to be of standard or sovereign value'. Any copper present would have left 'no trace after cupellation, being oxidized with the other base metals. The test was made four or five days before' that by Pond and Whitaker was made public.⁴⁰⁶ (In which case it must be wondered why Rhodes did not make his result public.) Three days later, the *Auckland Star* published a letter from McCombie to

⁴⁰¹ Te Aroha Correspondent, *New Zealand Herald*, 18 October 1887, p. 5.

⁴⁰² Hamilton Correspondent, *New Zealand Herald*, 18 October 1887, p. 5; *Waikato Times*, 25 October 1887, p. 2.

⁴⁰³ *Waikato Times*, 18 October 1887, p. 2.

⁴⁰⁴ *Auckland Star*, 18 October 1887, p. 5.

⁴⁰⁵ *New Zealand Herald*, 18 October 1887, p. 5.

⁴⁰⁶ Paeroa Correspondent, *New Zealand Herald*, 21 October 1887, p. 5.

Pond, dated 20 October. After noting that efforts were 'still being made to bolster up the reputed auriferous deposits' at a place that, 'in the opinion of must practical men, has been fairly tried and found wanting', he explained that he was writing because Hogg had mentioned him witnessing a successful test. Whilst this was true, Hogg did not know the sequel:

To start with, neither Mr Rhodes nor myself liked the look of the gold obtained from the dish prospect in question. There was an indefinite something about it which did not chime in with our notions of the fitness of things, and, subsequent to Mr Hogg's departure for the Thames, we brought the microscope to bear upon it. After a very careful examination the only conclusion we could arrive at was that the gold resulting from the washing of the Waitoa stuff never came straight out of Nature's laboratory, but that it was produced by artificial means. In order to prove the correctness of our surmises as to the manner in which this gold found its way into the supposed matrix, we obtained a dish-full of Rhyolitic lava which is used for making footpaths here, and this stuff we salted with gold filings obtained from the rim of an English half sovereign. To pan this off was but the work of a very few moments, and the results knocked several old hands, who had seen the Waitoa prospects, speechless with surprise. The gold obtained from our "salted" lava prospect was precisely similar in every respect to that resulting from the treatment of the Waitoa stuff, and it was simply impossible to distinguish the difference between the residue of the two prospects. When placed under the microscope it was a very easy matter to see that both lots had been subjected to the same influences, because both bore undoubted traces of the use of the file, or that of some other such implement. As a still further test we selected several of the solid pieces of the supposed matrix; crushed them clean so that no loose gold could possibly adhere thereto and when these were crushed up and pounded off there was not a vestige of the precious metal visible amongst the residue which was chiefly composed of iron sand. In conclusion permit me to state that the foregoing transpired five clear days before your tests were made known, and consequently we were not influenced by the results of your operations which, however, strengthened the opinion we had previously formed ourselves. I intend handing a copy of this letter over to the press for publication, inasmuch as I am fully prepared to prove the truth of the statements therein, and because I think you and Mr Whitaker are both deserving of the best thanks of the

community for the moral courage you have displayed throughout the whole business.⁴⁰⁷

CHRISTCHURCH RESPONSES

The *Herald* headlined Hutton's responses to the accusations of salting: 'In Reply. Professor Hutton and Waitoa. His Answer to Mr Pond. The Unfavourable Assays. How He Accounts for Them. Confidence Unshaken. Encouraging Reports. Satisfactory Results Obtained'.⁴⁰⁸ The *Auckland Star* had a simpler headline: 'When Doctors Disagree, Etc'.⁴⁰⁹ Both newspapers reprinted a letter from Hutton to the Christchurch *Press* that had been published along with the *Herald* articles exposing the fraud.⁴¹⁰ Hutton stated that the only sample tainted by filings was provided 'by a Mr Kelly, who said that he had got it from stuff lying on the surface' near a shaft. As for the accusation that Smith, or his employee, had salted the samples, he admitted Smith had a motive: selling his land. 'However, he must have scattered a good deal of gold about if a stranger found some of it by accident near a shaft several weeks after the Waitoa Company had taken their samples'. Pond had omitted a great deal of evidence that needed consideration before deciding how the gold had got into his samples. Some of Hutton's and Wilson's samples were taken from solid rock, and that the sands were formed by the decomposition of this rock was proved by its containing gold of the same quality. Except in the case of the sample Kelly gave to Pond, all assays and trials made for Smith and the company 'showed a gold alloy, varying in value but containing on an average between 20 and 25 per cent of silver, not a single sample being without silver'. Several directors as well as Hutton had examined under a microscope a sample given to them by Smith without finding anything amiss. There were 'certainly not filings nor borings', and it contained 'too much silver to be alluvial gold from the South Island; in fact, I do not know where Mr Smith could have obtained this kind of gold to put into the sand'. Pond's gold 'certainly' appeared 'to be cuttings or borings', but as the sample had 'passed through several hands' it 'would not be difficult to suggest reasons

⁴⁰⁷ John McCombie to J.A. Pond, 20 October 1887, printed in *Auckland Star*, 24 October 1887, p. 5.

⁴⁰⁸ *New Zealand Herald*, 18 October 1887, p. 5.

⁴⁰⁹ *Auckland Star*, 18 October 1887, p. 5.

⁴¹⁰ Letter from F.W. Hutton, *Press*, 17 October 1887, p. 5.

for supposing' that someone other than Smith 'had put them in, but I forbear doing so, as the whole thing may be a joke or an ingenious method of advertising it'. As Pond's gold was quite different in quality and shape from that on which the company had based its judgment, his report 'should not diminish the confidence of any shareholder in the value of the property'.⁴¹¹ Asked to comment, Pond briefly stated that Hutton's views were 'quite correct, so far as his knowledge of the matter goes. When, however, my report reaches him I am sure he can come to no other conclusion than the one' he had reached.⁴¹²

A long letter from 'Shareholder' published in the *Press* on 18 October proved to his own satisfaction that Pond's observations could have 'no foundation in fact, or even in theory', by citing all the tests. Anyone with 'the least acquaintance with gold-mining' would 'at once perceive the utter absurdity' of the suggestion that 88 acres 'proved to be auriferous' could 'by any possibility' be salted to an 'unknown depth'. He asked what was the more likely explanation: that Smith salted his 2,000 acres, or that the last samples tested by Pond 'had been "operated" upon prior to his receiving them?'

I will now take up the question of the alleged "salting" of the ground, and prove – though common sense needs no proof on this point – the utter absurdity of the suggestion. In January last, Mr Pond found a sample of stuff, submitted to him by Mr Smith, to contain gold at the rate of 17oz 19dwt 8gr per ton, or 8454 grains. A sovereign weighs 123.25 grains, so that to "salt" only one ton of dirt 68 sovereigns would have had to be turned in the lathe! How many thousand sovereigns would it require to "salt" the whole 2000 acres to meet the different results obtained, or only to make the 88 acres, spoken of by Professor Hutton, "auriferous to an unknown depth"! Again, how could only 88 acres be turned over to at least thirty feet deep and lathe turnings from sovereigns freely mixed in? A schoolboy would be whipped for the assertion of such imbecility.

Pond's statement that silver was absent was incorrect: in January, he had found over four ounces to the ton, and all other tests had found silver. 'Shareholder' argued that Pond's last analysis was 'probably *not* of Waihou washdirt, and his allusion to lathe turnings' was 'evidence of shallow reasoning'. He doubted that any mechanic 'could turn a sovereign up so

⁴¹¹ *New Zealand Herald*, 18 October 1887, p. 5.

⁴¹² *Auckland Star*, 18 October 1887, p. 5.

finely that the shavings would need a powerful microscope to detect their shape'. Despite its spiral shape, others were satisfied with the appearance of the gold, and he wondered why, nine months later, Pond had stultified 'his former glowing report by insinuations of fraud'. The Christchurch company was 'a private one, no shares having been offered to the public',⁴¹³ a reminder that the latter were not being gulled. The following day, 'A Contented Shareholder' expressed sorrow that details of the controversy over Pond's 'alleged tests' had been published.

Our Auckland friends appear to have been unnecessarily agitated in their minds over the whole question. They were not asked to take any shares in the Company, nor asked to express any opinion of any kind as to the merits of the discovery. In fact, the whole question appears to me to be a private one, and to concern those who are shareholders of the company. The latter, I know, are perfectly satisfied with their property, and all they ask is to be allowed to work it in their own way.⁴¹⁴

Three days later, 'Awarua' protested at the 'unfair treatment meted out to all kinds of mining property'. Accusations of fraud against people of probity were based on 'flimsy' evidence, as 'must be apparent to all who have any practical knowledge of goldmining'. Unequal distribution of gold was 'a constant characteristic' of alluvial fields such as the one he had examined a month previously. As gold in sovereigns was alloyed with copper, 'a simple analysis would at once detect the imposture. Is it conceivable that a rogue of average intelligence would resort to such a clumsy and transparently simple artifice, when genuine gold dust could easily have been obtained wherewith to do the "salting?"'⁴¹⁵

'Contented Shareholder' regretted that, on the basis of 'very sensational telegrams', some shareholders had sold shares 'at prices very much under what they were worth a couple of weeks since'. By citing earlier assays he denied Pond had proved salting, and considered Montgomery's assays were 'perfectly satisfactory' (indicating he did not know of the latest ones). He considered it 'rather curious that after shares should have depressed in value owing to reports sent from Auckland, instructions should

⁴¹³ Letter from 'Shareholder', *Press*, 18 October 1887, p. 6.

⁴¹⁴ Letter from 'A Contented Shareholder', *Press*, 19 October 1887, p. 6.

⁴¹⁵ Letter from 'Awarua', *Press*, 22 October 1887, p. 6.

be received from the same place to buy them. Perhaps there is something after all in the “gold filing” story’.⁴¹⁶

Certainly share prices were depressed: one shareholder complained that during one week he had been able to sell only 50 of his 100 shares at 25s, the balance being ‘unsaleable though he has offered them at “two shillings which is par” ’.⁴¹⁷

STILL MORE TESTS

On 19 October, the *Herald* reported that ‘the mystery of Waitoa’ was ‘still as deep as ever’. When Thomas examined two of Durward’s samples under the microscope, ‘without any hesitation’ he detected filings. ‘He had no doubt or hesitation about it. He took a copper nail which he had in the laboratory and with a fine file rasped some particles off it. When placed under the microscope, these showed the same spirals, and striated form’. Thomas then showed a journalist how very different the Waitoa metal was from gold washed from Otago black sand and from auriferous West Coast cement. On careful examination, Thomas discovered the Waitoa sands contained copper. ‘He put some of them in a small glass vessel, and subjected them to an acid test. That immediately revealed the presence of copper’. The journalist considered it ‘most extraordinary’ that sands ‘taken out within the last few days, since doubts have been raised, could have been in any way “salted” ’. Durward explained that the samples were ‘taken out under his own supervision’, and none had ‘been given by him to any person for analysis or test, and if any handfuls or portions were taken it was not with his knowledge or consent’. Not being ‘in a communicative humour’, he refused to comment further;⁴¹⁸ subsequently he sent some of these sands to Hutton to compare with his samples.⁴¹⁹ An Auckland correspondent considered it was ‘very strange that “filings and borings” should have found their way onto the other thousand acre lot’; until this ‘mystery’ was explained, confidence in the field would ‘be on the wane’. Ernest Whitaker had informed this correspondent that ‘he was fully convinced from the

⁴¹⁶ Letter from ‘Contented Shareholder’, *Press*, 25 October 1887, p. 6.

⁴¹⁷ *Auckland Star*, 20 October 1887, p. 5.

⁴¹⁸ *New Zealand Herald*, 19 October 1887, p. 5.

⁴¹⁹ *Auckland Star*, 18 October 1887, p. 5.

result of his own investigations and assays' that there was gold in payable quantities.⁴²⁰

The *Herald* contacted Benjamin Moore Murray because he had accompanied Kelly when, according to Hutton, the only samples containing filings were taken. (Murray, a brewer who had been at Thames in the mining early days, would invest in one Waiorongomai mine in 1888.)⁴²¹ His evidence did not support Hutton:

"Mr Kelly, you remember, is an old miner, and was the manager of the Waitekauri mine, and I myself have had something to do with mining. We wanted to ascertain, so far as we could, the nature of the prospects obtained, and we went on our own account, not as representatives of any association. We were not then members of the Prospecting Association."

He was asked whether Kelly's sample 'was only taken from the surface'.

"No, that is not correct. It is wrong all through. Kelly and I went to Te Aroha, and from thence to Waitoa. Mrs Smith gave us a courteous reception, and by her instructions we were shown several shafts, some seven in all. The tests were not all taken from the surface. In fact, the largest proportion was taken from underneath a boulder at what is called No. 2 shaft, as pointed out to us. We also dug a spade into the sides of the shafts, taking small quantities to as great a depth as we could reach at different depths, and we took samples from seven different shafts. This stuff was in my possession from the Friday night until Monday, when I delivered it to Mr John Brown.

Not only was there no possibility of salting because the sample 'was never out of his possession', but it really contained payable gold.⁴²² However, this edition of the *Herald* concluded with a report from Thames that Montgomery's assays had produced 'only a mere trace of gold', making the samples 'utterly worthless'.⁴²³ The School of Mines recorded the results:

⁴²⁰ Auckland Correspondent, *Thames Star*, 19 October 1887, p. 2.

⁴²¹ Obituary of Benjamin Moore Murray, *Auckland Weekly News*, 26 December 1901, p. 22;
Te Aroha Warden's Court, Certified Instruments 1888, BBAV 11581/9a, ANZ-A.

⁴²² *New Zealand Herald*, 19 October 1887, p. 5.

⁴²³ Thames Correspondent, *New Zealand Herald*, 19 October 1887, p. 5.

Nil, small trace, small trace, nil, small trace, small trace, minute trace, small trace, small trace, small trace, small trace, small trace, small trace, very small trace, strong trace (less than one dwt to the ton), 1dwt 21gr, 1dwt 6gr, 8dwt 20gr, trace, small trace, small trace, trace of gold, trace of bullion, trace of bullion, nil, trace of bullion, small trace.⁴²⁴

The next self-proclaimed expert to give his opinion was Dr Robert Bakewell, an Auckland physician and surgeon who regularly contributed to medical journals.⁴²⁵ Having lived for four years on a South Island goldfield, he was familiar with alluvial gold, and for over 30 years had been ‘in the constant habit of working with the microscope’. After examining the filings Pond had identified, he confirmed ‘there could not be the slightest doubt that they were filings, and no natural form of gold’.⁴²⁶

Although as yet unaware of Montgomery’s results and Bakewell’s statement, Durward was now convinced that Pond was right, and sent a telegram to Christchurch: ‘Don’t sell my shares; would not be fair, as I am now satisfied that something is wrong’. Its publication ‘caused considerable consternation amongst holders of Waitoa stock’, even though the newspaper added that Durwood was not yet satisfied the field was a duffer.⁴²⁷ Informed by a reporter that his telegram had been published, Durwood responded that he had not wanted ‘any undue prominence’ given to his inspection and was ‘naturally unwilling to be mixed up in any way’ with the ‘unsatisfactory aspect’ of the matter.

“Then you are now satisfied that all has not been square and above board.”

“There is something wrong, without a doubt.”

“You think the stuff has been tampered with?”

“Yes; I am inclined to think so at present.”

“Have the tests been altogether unsatisfactory?”

“No; they have yielded a small but possibly payable result.”

“But nothing approaching the big results on the strength of which the Canterbury Company was formed?”

“No.”

“Then what will be done now?”

⁴²⁴ Thames School of Mines, Assay Book 1887-1889, no pagination, October 1887, School of Mines Archives, Thames.

⁴²⁵ See *Cyclopedia of New Zealand*, vol. 2, p. 283.

⁴²⁶ *Auckland Star*, 20 October 1887, p. 5.

⁴²⁷ *New Zealand Herald*, 20 October 1887, p. 5.

"I cannot say at present. Probably there will be a further investigation. It is a pity that in the first instance a test was not made on a sufficiently large scale to put all doubts as to there being a payable goldfield at Waitoa to rest."

"That will no doubt be done now."

"I hope so. Mind you I don't say that Waitoa is a duffer field. Gold undoubtedly exists there. The only question is, whether it can be found in sufficient quantities to pay to work."

"In Victoria they find that even a few pennyweights to the ton pays?"

"Yes. At Ballarat I believe they are working profitably stuff that does not return more than 2dwt to the ton."

"There is, then, just the possibility that the Waitoa deposit may be found worth working?"

"That, of course, will depend altogether upon the results obtained from a test of a sufficiently large quantity of stuff."⁴²⁸

The *Herald* reported 'great and intense anxiety' because of the conflicting reports. Hopes that the discovery 'would revolutionize the present dull state of trade' caused people 'to grasp at anything which gives promise of such a desirable end; but unfortunately the stern utterances of scientific tests have been very discouraging', and 'grave doubts as to the genuineness of the reported discoveries' had created 'a very uneasy feeling'.

When Pond examined under a microscope some new samples along with 'the shakings of bags' that had contained the first sands sent by Smith plus samples from other bags that had been burnt all were found to contain filings. 'They were spiral, crooked, and without the slightest trace of ever having been subjected to the action of water'. Pond provided 'by way of comparison other particles of gold, and the distinction between the two samples was so manifest as to strike the most casual observer'. The reporter noted that Durward had arranged for seven tons to be treated at John Brown's tailing plant at Tararu; although the result would be 'looked forward to with much interest', Pond's demonstration had left an impression 'which it will be difficult to efface'. A new theory to explain how such a large area had been salted was that the bags, not the ground, were salted, 'a much simpler and less expensive method'. This theory was 'strengthened' by the fact that in the first tests made by George Fraser 'the results from the pan process were invariably greater than those indicated by the assay tests, even when the latter were taken from the pulp as well as promiscuously from the clay'. The reporter wondered where the bags came from, and

⁴²⁸ *New Zealand Herald*, 20 October 1887, p. 5.

whether 'they could have been tampered with'; he did not ask by whom. Kelly considered this new theory to be likely, for some of his parcels were 'tied up in pieces of a bag which was found on the ground'.⁴²⁹

On 24 October, the *Herald* published Pond's letter responding to a report that his original assay had formed the basis for the formation of the Christchurch syndicate:

Now the assumption that upon this one assay the Christchurch promoters of the company acted in bringing this matter before the public is exceedingly flattering to me, but rather slighting to the other gentlemen whose reports upon the locality and debris are both extensive, and the result of continued investigation of the circumstances and material. At the same time, it is a reflection upon the promoters themselves, that they should bring so large an undertaking before the public upon the result of one assay made upon two ounces of debris the result of concentration to an extent unknown.

They should have considered his second assay, now published for the first time, which revealed only 'a trace' of gold and an unpayable amount of silver. 'Now surely this report could not have led the promoters to extend a costly investigation to the locality from which this stone was obtained'. As Pond had kept the sample, by re-checking he confirmed it comprised water-worn gold from a degraded Waiorongomai reef, as Hutton had supposed. It differed 'immensely' from the samples tested in September and October, which unquestionably contained filings. It was 'a matter of deep regret' to himself and Ernest Whitaker 'that we should have felt any necessity to call attention to this extensive and cruel fraud, which must cause much suffering to many who are in no way implicated, and tend to depreciate genuine gold discoveries'.⁴³⁰

Those with experience of mining were not altogether surprised by the salting. 'Mercurio' claimed to have been

about to set off for Waitoa, to see if I could not get some of the gold that apparently permeated everything there, from the roots of the turnips to the centre of the earth. But some recent revelations have made me pause. I am not entirely unacquainted with gold mining, and how peculiar it is that when a man begins to deal in gold mines, he sticks at nothing. I have known several

⁴²⁹ *New Zealand Herald*, 20 October 1887, p. 5.

⁴³⁰ Letter from J.A. Pond, *New Zealand Herald*, 24 October 1887, p. 5.

egregious cases of salting at the Thames. Many of them were successful, but in a few cases the perpetrators were “bowled out.” In one case, a very clumsy thing was done. The sale of a claim for a large sum depended upon the result of a crushing, and when the stamper boxes were opened, lo and behold! there were the remains of three sovereigns. That was something like a claim, which produced the gold ready coined! The person concerned, who ought to have known better, dropped the sovereigns into the stamper box thinking they would be ground up with the rest of the stuff, and amalgamated with the quicksilver on the plates. If there has been any salting in the case of Waitoa, the business has been gone about more cleverly than in that instance.

He urged shareholders to inquire into the matter before spending any more money,⁴³¹ as did others. One Aucklander who had ‘taken considerable interest in the Waitoa affair’ urged a Christchurch friend who was a shareholder ‘to get the company to offer a reward of £1000 to anyone who will divulge how the gold ... came to be in the stuff, and who put it there’.⁴³²

SOME RETAIN HOPE

Despite these developments, prospecting continued, reportedly with good results. In one case nearly a quarter of an ounce to the ton was found some miles from Smith’s land, and a correspondent was assured that the discoverer did not let anyone else near the sample before it was treated. An experiment in Hamilton convinced the *Herald’s* correspondent there that spiral shapes could be found in mundic (otherwise pyrites or fool’s gold),⁴³³ proving to him that these were not proof of salting.⁴³⁴ On 17 October, the *Waikato Times* was shown two private letters received from Waitoa which were ‘most indignant’ about Aucklanders denying there was a goldfield because of jealousy about the land being secured by the Canterbury syndicate. One writer thought Pond and Witheford deserved tar and feathering, and gave instances of private tests by settlers giving ‘returns quite equal’ to Smith’s. Another ridiculed the Auckland association ‘for

⁴³¹ ‘Mercutio’, ‘Local Gossip’, *Auckland Weekly News*, 22 October 1887, p. 7.

⁴³² *New Zealand Herald*, 21 October 1887, p. 5.

⁴³³ *McGraw-Hill Dictionary of Geology and Mineralogy*, 2 ed. (New York, 2003), pp. 212, 282

⁴³⁴ Hamilton Correspondent, *New Zealand Herald*, 20 October 1887, p. 5; see also *Auckland Star*, 24 October 1887, p. 5.

thinking it possible to test auriferous wash dirt with a “cheese taster”’.⁴³⁵ A *Thames Star* columnist, noting that Waikato people took ‘their disappointment very hard’, advised Pond and Witheford ‘to give the Waikato a wide birth until the soreness has somewhat subsided’.⁴³⁶ The mayor of Hamilton informed a local parliamentarian that ‘no confidence’ was placed in the Auckland report, which was ‘looked upon with suspicion’; only a ‘thorough test of the whole ground’ by government experts would ‘satisfy the public’. The *Waikato Times* considered that, ‘should the bona fides of the Waitoa field be established, and the falsity of the report of the Auckland Prospecting Association be proved’, both and landowners ‘should rigidly refuse to have any further transactions with the association or any member thereof’.⁴³⁷ But two days later, it admitted that salting had been done, but not by anyone at Waitoa. There was ‘something mysterious’ behind the affair, ‘but by whom enacted and for what purpose will no doubt be revealed in time’. Its faith in Waitoa being a goldfield was ‘not shaken’, and it was ‘content to await developments’.⁴³⁸ However, in the same issue it published a letter from Gould, who had ‘spent some time in Auckland, investigating the evidence’.

I am reluctantly compelled to admit that the charge is substantiated beyond the possibility of a doubt. As to who did it, of course, I can say nothing, the manner in which it has been done, is however as evident as if one stood by and saw it done. To go into details would be unnecessary, as no man would write such a letter as this, if any doubt could exist, but at the same time I do not wish to say that there is absolutely no gold in the deposit, as it may even yet be proved to be payable, which is the utmost we can now hope for.⁴³⁹

Gould had sent another seven tons for testing by Fraser because, although he had ‘little faith in its payable quality’, he wanted ‘a bona fide test’. Although, like everyone else, including ‘numbers of old diggers’, he had ‘never been able to raise any dish prospects by panning off the stuff’, it was so similar to Smith’s deposit that it should be tested.⁴⁴⁰ At expected to

⁴³⁵ *Waikato Times*, 18 October 1887, p. 2.

⁴³⁶ ‘Rambler’, ‘Passing Notes’, *Thames Star*, 22 October 1887, p. 2.

⁴³⁷ *Waikato Times*, 18 October 1887, p. 2.

⁴³⁸ *Waikato Times*, 20 October 1887, p. 2.

⁴³⁹ Letter from Charles Gould, *Waikato Times*, 20 October 1887, p. 2.

⁴⁴⁰ *New Zealand Herald*, 20 October 1887, p. 5.

produce similar results to others, from 10s to 12s a ton, it was worth only 3s 4d.⁴⁴¹

On 22 October, the *Waikato Times*, after noting Aucklanders were ‘much exercised over the confusing and contradictory reports’, reaffirmed there could be ‘very little doubt’ of there being ‘auriferous deposits over a large extent of country’. Because of this assumption, it was ‘a severe blow to the credit of Auckland that such a heinous crime as tampering with the bona fide endeavours to develop a promising discovery should have been perpetuated by “salting” the best samples’. As this would ‘inflict a lasting inquiry to the good name’ of New Zealand, ‘no efforts should be spared to sheet home the crime to the guilty parties’. It quoted ‘an Auckland gentleman with whom we are speaking yesterday’ saying ‘an enemy has done this thing’.⁴⁴² Gould’s ‘investigations’ proved letter merely proved ‘that he, not being a mining expert, could not give a correct judgment of his values of his own samples’. Durwood said that Ballarat ore containing 2dwt to the ton could be ‘profitably worked’, and tests had proved the Waitoa sands gave ‘from 8s to 34s of gold per ton’ and Gould’s first test produced 24s. ‘How does that gentleman explain that without escaping a suspicion of the salting trick?’⁴⁴³

On 31 October, the *Auckland Star* published the results of an Auckland syndicate’s testing of Gould’s land. Its prospectors had taken ‘the greatest care’ when sinking two shafts to ensure ‘that no assistance should be rendered to nature, in order that any gold found should be absolutely the product of the deposit’. Fraser’s tests of the samples ‘thoroughly satisfied the prospectors that if they want gold they must look somewhere else for it’, and the syndicate ‘resolved to proceed no further with the trials’.⁴⁴⁴

A Hamilton resident praised the *Waikato Times* for wanting Waitoa to be given ‘a fair trial before running it down’, for his ‘firm, straightforward opinion’ was that gold existed ‘in payable quantities if honest and experienced men were allowed to go and prospect’. Nothing would be ‘lost, and perhaps a good deal gained if four or five hundred of us who have got little or nothing to do were to take our swags and shovels and rush the field’ and prove to ‘these interested men’ whether gold existed. ‘If there is plenty

⁴⁴¹ *New Zealand Herald*, 22 October 1887, p. 5; *Auckland Star*, 24 October 1887, p. 5.

⁴⁴² *Waikato Times*, 22 October 1887, p. 2.

⁴⁴³ *Waikato Times*, 22 October 1887, p. 2.

⁴⁴⁴ *Auckland Star*, 31 October 1887, p. 5; reprinted in *Waikato Times*, 1 November 1887, p. 2.

of filings, then I have no doubt it would help to cover expenses'.⁴⁴⁵ Others also hoped the field was both genuine and extensive. On more than one part of the Patetere Company's land near Lichfield, reportedly auriferous deposits were discovered. Many men constructing the railway line from Lichfield to Rotorua were 'old diggers, always on the look out for indications of gold. In one of the railway cuttings they saw some likely looking stuff, and in panning off obtained a fair prospect'. It was rumoured the Patetere Company would 'offer liberal terms to anyone inclined to thoroughly prospect their property'.⁴⁴⁶

At a meeting of the Piako County Council, its Waitoa members expressed 'confidence in the bona fides of the field, and the names were mentioned of well-known settlers who have had tests made with satisfactory results'.⁴⁴⁷ Councillors concluded that gold existed and 'that some deep laid scheme was at the bottom of the alleged "saltings," which time would bring to light'.⁴⁴⁸ One Waitoa resident ingeniously or ingenuously explained away the salting by suggesting the 'supposed filings' were 'formed by the action of sharp pieces of quartz pouring from the mouth of a boiling crater, and in so doing tearing up the side of a rich reef'. That filings were found in the sacks 'could be accounted for by the shaking of the waggons in transit'.⁴⁴⁹ But other tests produced variable results of low value.⁴⁵⁰ The *Thames Advertiser* cited 'pretty good authority', presumably Montgomery, stating that 'several private tests' had 'all resulted in failures, and the only sample which gave a return was undoubtedly salted with gold filings'.⁴⁵¹

SMITH RESPONDS

Immediately after Pond's report was published, a Te Aroha correspondent noted that Smith was 'as much perplexed as anyone by the conflicting accounts' and was 'most desirous that the fullest investigation

⁴⁴⁵ Letter from Charles Hamilton, *Waikato Times*, 22 October 1887, p. 2.

⁴⁴⁶ *New Zealand Herald*, 21 October 1887, p. 5.

⁴⁴⁷ Hamilton Correspondent, *New Zealand Herald*, 24 October 1887, p. 5.

⁴⁴⁸ *Waikato Times*, 25 October 1887, p. 2.

⁴⁴⁹ Letter from 'a Waitoa correspondent', *New Zealand Herald*, 24 October 1887, p. 5.

⁴⁵⁰ *Auckland Star*, 22 October 1887, p. 5.

⁴⁵¹ *Thames Advertiser*, 24 October 1887, p. 2.

should be made without delay'.⁴⁵² A miner prospecting adjoining land quoted him speaking 'very confidently of the field'.⁴⁵³ On 23 October, when in Hamilton to attend a council meeting, Smith told one reporter that 'representatives of the Christchurch Company will take measures to satisfy themselves of the genuineness of the ground without regard to the opinions or reports of Auckland people'.⁴⁵⁴ To another, he 'entered pretty fully into the matter of the gold discovery', and provided 'full particulars' of the discovery, the prospecting, 'and his connection with the Christchurch Company. He courts every investigation', and was 'so satisfied with the genuineness of the field' that he did not intend to sell any shares, and insisted 'that none of his party had anything to do with salting, if such had been done. His firm belief is that the discovery is not only genuine, but will prove payable'.⁴⁵⁵

According to Frederick von Sturmer, the *Herald's* Hamilton correspondent, Smith accepted that there had been salting, but, like Hamilton residents, believed this had been done in Auckland. He had urged the company to make 'an exhaustive and careful test before going further, confident that the results will turn out favourably, but those tests will not be permitted to be carried out in Auckland'. He defied 'anyone to prospect his shafts or the stuff thrown out of them without finding gold and silver', mostly 'in payable quantities'.⁴⁵⁶ One week later, Smith wrote to von Sturmer denying having given him an interview but adding that he was willing to be questioned at any time. 'I can only say yes or no, without being offended. I require to be careful about statements at present. I must thank you for the interest you have taken in this matter, on behalf of the district'. Von Sturmer, in confirming that he had not spoken to Smith, after pointing out that his report did not claim this, noted that Smith 'must surely have forgotten' his conversation with the editor of the *Waikato Times*, and others. That newspaper's report was 'substantially the same' as his, 'though, for very obvious reasons, "especially with reference to who salted the washdirt," they both fall very far short of what I was told was said by you'.⁴⁵⁷ Clearly

⁴⁵² Te Aroha Correspondent, *Waikato Times*, 18 October 1887, p. 2.

⁴⁵³ Letter from A. Dixon, *New Zealand Herald*, 31 October 1887, p. 6.

⁴⁵⁴ *Waikato Times*, 25 October 1887, p. 2.

⁴⁵⁵ Hamilton Correspondent, *Auckland Star*, 22 October 1887, p. 5.

⁴⁵⁶ Hamilton Correspondent, *New Zealand Herald*, 24 October 1887, p. 5.

⁴⁵⁷ Correspondence printed in *New Zealand Herald*, 2 November 1887, p. 3.

Smith had named the person he believed had salted his samples (whom he never named publicly).

Early in November, Smith provided the press with copies of some telegrams. The first, sent to Pond on 28 October, requested his presence on the following day 'for you and others to witness the panning off of washdirt at the mouth of the various shafts. Guarantee your fee and expenses. Meet you with buggy at Waihou. Reply paid'. Pond replied that 'business arrangements' prevented his coming. Smith immediately responded:

Will wait until you can come. Name earliest date. Have seen gold you mounted for [William Graham] Rhind [Inspector of the Bank of New Zealand, and a shareholder]⁴⁵⁸ and am informed came out of wash dirt you procured from heaps on edge of shafts. I disbelieve that you got that gold out of the heaps returned in your report. If you did, come at once, and wash the unnatural gold out of the same stuff as you took. Heaps unmolested. Reply paid.

Pond replied: 'Unnecessary for you to wait for me. Do not wish to make further experiments. Am quite satisfied with results obtained by our party'. This provoked an urgent request on 29 October asking him to 'state positively that the unnatural gold' came from the heaps beside the shafts. Upon not receiving a reply, two days later he asked for one, but Pond still did not respond. The *Herald* published this sequence of telegrams with the sub-headings, 'Come'. 'Can't'. 'Do'. 'Shan't'.⁴⁵⁹

In late October, Dixon and his two West Coast mates returned from Waitoa, disappointed because Smith would not allow them to prospect his land. 'They sunk a shaft 25 feet deep on the roadside, as near as they could get to the spot where the shafts were sunk by the Canterbury party'. Although 'they obtained traces of gold, there was a twelve-foot deposit of strippings to be thrown off before reaching the auriferous dirt', making the sands unpayable.⁴⁶⁰ Having only found traces in several shafts, they believed Smith's results must have been the result of salting.⁴⁶¹ Shortly

⁴⁵⁸ See *Te Aroha News*, 29 October 1887, p. 2; *Cyclopedia of New Zealand*, vol. 1 (Wellington, 1897), pp. 499-450; given as Rhynd in the newspaper.

⁴⁵⁹ Telegrams between J.B. Smith and J.A. Pond, printed in *New Zealand Herald*, 3 November 1887, p. 5, and *Te Aroha News*, 5 November 1887, p. 2.

⁴⁶⁰ Hamilton Correspondent, *New Zealand Herald*, 26 October 1887, p. 5.

⁴⁶¹ *Waikato Times*, 25 October 1887, p. 2.

afterwards, Dixon described how they had ‘travelled a long way to try our luck on the new wonderland’ because of their faith in Pond’s first test.

After arriving on the ground and seeing the formation, I got sick. Nothing but layer after layer of drift, pumice, sand, and pipeclay seams; no wash whatever to carry alluvial gold. It is a good job for the cockatoo’s [small farmers] who wanted to sell their land that there were not a dozen more fools like ourselves on the ground, or they would have a different tale to tell now. Myself and mates thank Mr Gould for his kindness to us, for he offered to do all in his power to assist us; also gave permission to prospect his land, but after giving us his opinion of Waitoa, it was evident to us that it had been salted. This idea was also strengthened through the treatment we received from the hands of Mr Smith. But to satisfy ourselves we sunk a shaft on the roadside opposite Mr Smith’s house, and within ten chains of the shaft which is supposed to have shown the largest return by Mr Pond’s assay. After sinking 26 feet we took eight samples of wash to our camp, and after pounding, roasting, and frying, the astounding result was two colours. At this result one of my mates fell in the fire, another climbed a tree, and I took my revenge off the frogs which seem to abound in this locality much more freely than gold. In conclusion, I would not feel satisfied without making a few remarks re Mr Smith. He may be a gentleman, but he acted anything but the gentleman towards us, for after refusing us permission to prospect on his estate, he did not even wish to see us sinking on the roadside so close to his boundary, and by sending to Mr [Samuel] Seddon (a member of the Road Board), tried opposing our operations, but thanks to Mr Gould, who had written to the chairman of the Road Board, we were enabled to sink our shaft to our satisfaction. Poor old Christchurch! You have been had, and so have we, and when your machinery is ready it will tell the same tale. So good-bye, Waitoa! Fare thee well, for in six months you will be forgotten.⁴⁶²

Seddon was Smith’s brother-in-law and partner in a Te Aroha butchery;⁴⁶³ any other involvement apart from this attempt to assist Smith keep prospectors at bay has not been traced.

HOPES CONTINUE

⁴⁶² Letter from A. Dixon, *New Zealand Herald*, 31 October 1887, p. 6.

⁴⁶³ Marriage Certificate of John Bealby Smith, 31 May 1881, 1881/1546, BDM; *Te Aroha News*, Police Court, 5 April 1884, p. 2, 28 June 1884, p. 7; *Mercantile and Bankruptcy Gazette of New Zealand*, 28 February 1885, p. 67.

On 25 October, Brown's Tararu Tailings Works finished treating, under Anderson's supervision, five tons extracted from Smith's farm under Durwood's supervision.⁴⁶⁴ The result, 1dwt to the ton, confirmed that earlier samples 'were tampered with'.⁴⁶⁵ But there were still believers such as Bartholomew Kent, of the Union Insurance Company and then a resident of Christchurch,⁴⁶⁶ suggesting he was a shareholder. Kent, who claimed to have seen more 'wrought iron turnings and metal borings' than anyone else in New Zealand, asked *Herald* readers not to believe salting had happened, in support quoting 'Shareholder's' letter to the *Press*.⁴⁶⁷ Another believers was the mayor of Cambridge, John Gwynneth,⁴⁶⁸ who had found traces of gold which he considered were payable.⁴⁶⁹ A farmer who had tests made from two shafts sunk half a mile from Smith's farm was told the deposit was worth from 13s to £2 17s 8d.⁴⁷⁰ When some sands taken to Christchurch were examined under a microscope and found to contain filings, the assayer filed a sovereign, but as the two samples 'were not by any means identical' he doubted Pond's theory and retained his shares.⁴⁷¹

On 26 October, von Sturmer published his conversation 'with the most experienced man in the colony in gold matters', Charles Ring, the discoverer of gold at Coromandel. Ring told him: 'Don't you make any mistake about it; there will be a large quantity of gold come out of Waitoa' at a return of 30s per ton. Von Sturmer cited a 'very general opinion' that 'a properly constituted commission, consisting of three or four men of undoubted repute, of experience as miners, but of sufficient standing and character as to place them beyond suspicion one way or the other' should test the ground. To prevent any possibility of salting, they should remove the first foot of soil, mix the samples together, and have tests made by six people. 'We

⁴⁶⁴ *Auckland Star*, 25 October 1887, p. 5; *New Zealand Herald*, 25 October 1887, p. 5.

⁴⁶⁵ *New Zealand Herald*, 25 October 1887, p. 5.

⁴⁶⁶ See *Cyclopedia of New Zealand*, vol. 2, pp. 296, 1018.

⁴⁶⁷ Letter from Bartholomew Kent, *New Zealand Herald*, 25 October 1887, p. 5.

⁴⁶⁸ See *Waikato Times*, 14 September 1880, p. 2, 28 August 1886, p. 2, 16 November 1886, p. 2.

⁴⁶⁹ Cambridge Correspondent, *New Zealand Herald*, 25 October 1887, p. 5; *Waikato Times*, 8 December 1887, p. 2.

⁴⁷⁰ Te Aroha Correspondent, *New Zealand Herald*, 25 October 1887, p. 2; *Te Aroha News*, 29 October 1887, p. 2.

⁴⁷¹ *New Zealand Herald*, 26 October 1887, p. 5.

might look for a nearly uniform return if the analysts were competent men, and the result would be accepted by the public as a solution to the whole affair'.⁴⁷² On the following day, he reported 'unlimited faith' in the field at Hamilton, and repeated a rumour that a man sent from Christchurch had taken a secret sample worth nearly £3. He had 'good authority for saying' that tests on Larkworthy's estate were 'most satisfactory'.⁴⁷³ These contradictory reports created confusion.⁴⁷⁴

The *Press* claimed good results had been obtained from other tests at Thames, but on the day this claim was reprinted in Auckland a report was published, under the sub-heading 'Significant', that Price Bros. had been asked to suspend manufacturing machinery for Waitoa.⁴⁷⁵ In fact, the directors had asked this firm to indicate the cost of erecting a small plant to do thorough testing before erecting a more expensive permanent one,⁴⁷⁶ and construction continued.

CHARGE AND COUNTER-CHARGE

On 27 October, the *Herald* published a report written by David Rankin Shirreff Galbraith, analyst, assayer, and 'microscopist' of Auckland.⁴⁷⁷ Employed by Durward, he had 'thoroughly satisfied' him that the gold was filings. For any doubt to exist 'in the mind of even an inexperienced microscopist' seemed to Galbraith 'incredible; indeed, I do not believe that even one dissentient voice will be raised in the whole microscopic world without incurring just and well-merited ridicule'. The printed engraving of a microphotograph showed such a difference between the filings and normal washdirt particles that the newspaper considered it 'must at once' convince Christchurch people who were 'apparently loath to give up the belief that the rich yields of gold were not genuine'. Aucklanders considered that

⁴⁷² Hamilton Correspondent, *New Zealand Herald*, 26 October 1887, p. 5.

⁴⁷³ Hamilton Correspondent, *New Zealand Herald*, 28 October 1887, p. 5.

⁴⁷⁴ For example, *Press*, 1 November 1887, p. 6.

⁴⁷⁵ *New Zealand Herald*, 25 October 1887, p. 5.

⁴⁷⁶ *Press*, 26 October 1887, p. 5; *New Zealand Herald*, 26 October 1887, p. 5.

⁴⁷⁷ See Marriage Certificate of David Rankin Shirriff Galbraith, 1901/1501, BDM; *Cyclopedia of New Zealand*, vol. 7 (Wellington, 1898), p. 24; *New Zealand Herald*, 23 January 1905, p. 6.

some effort should be made to discover the perpetrator of this very cruel swindle. The mischief done by such a thing is incalculable. A considerable number of people in Christchurch have been ruined. It will undoubtedly injure the whole goldmining industry in the colony. Just at this present time there was a disposition to extend prospecting, and assistance could be obtained to develop the goldfields from all quarters. At present, we have several mines under offer in London, but the chances of their being taken up will receive a heavy blow when it is known that there is a danger of "salting." It will have been observed that Mr Smith says that the salting must have been done in Auckland. We believe that a subscription could easily be raised in Auckland to ascertain who are the authors of this vile scheme.⁴⁷⁸

Smith's charge that the salting had been done in Auckland was noted by Fraser, who, having done the assay and pan treatment, had 'lately been indirectly reflected upon'.⁴⁷⁹ He responded that 'a most diabolical swindle' had been attempted which would do 'serious damage to bona fide mining properties' being 'placed on the English market'. Waikato residents were wrong to accuse Auckland investors of 'attempting to throw a wet blanket on' the find to lower the value of the farms and obtain them 'for themselves at a cheap rate'. Like 'every member of the Auckland Prospecting Association', he was 'deeply sorry at the turn events have taken, for we would have much rather seen their lands so full of mineral wealth' that they would have been sold at twice the price Smith was paid. He quoted Smith as being satisfied that the salting had been done in Auckland and that whilst extra testing was required it should not be done there.

Now, sir, such a piece of cool cheek and impertinence is very rarely to be met with, and I think can only be exceeded by the barefaced way that this salting business is being carried out. It makes one boil with indignation to hear such remarks. No one has been more surprised and disappointed at the outcome of this matter than the writer. It is really bad enough for Auckland people to bear the disappointment and suffer the bad effect that may and will result from the perpetration of such a mean action as there has been connected with this affair, without being accused of being connected in any way with it. There is not the slightest doubt that the stuff has been salted, and I think there would be little difficulty in sheeting it home to the proper party or parties. We have in our possession plenty of evidence of salting

⁴⁷⁸ *New Zealand Herald*, 27 October 1887, p. 5.

⁴⁷⁹ *New Zealand Herald*, 29 October 1887, p. 3.

the bags which contained the stuff sent to us, both in the first case and also in the second case, when Mr Durward brought about two tons from the second thousand acres of Mr Smith's property; and although Mr Smith seems now to say that no more of the stuff will be treated in Auckland, he while in Auckland about ten days ago requested me to treat the second lot, which I consented to do; and when it did come we had some of the bags opened in the presence of Mr Durward and others, and some of the stuff panned off, and the result, which was considerable, was put under the microscope, and all present were quite satisfied that it was the filings from sovereigns. I believe it quite took the wind out of Mr Durward's sails. The second thousand acres does not seem to have come off [been sold]. But we were given to understand that five tons of the deposit were taken out of the ground under the supervision of Mr Anderson, one of the Christchurch shareholders, and taken to Mr Brown's tailings plant at Tararu, which was supposed would be a conclusive test. Why has not Mr Smith made that public? Why keep the public in suspense? They have a right to know, as this is a public company, and their shares are on the market, and no doubt some will be suffering through purchasing shares at a high premium. Mr Smith challenges and defies any one to go on his ground and take the stuff from his shafts, or what has been thrown out of them on to the ground, without getting payable stuff. If that be so, why should anybody have resorted to salting?

Fraser urged an inquiry by the police or petitioning parliament for 'a proper and thorough investigation'.⁴⁸⁰ (He had incorrectly charged Smith with failing to publish the result of the Tararu tests: they were published four days before this letter appeared.)⁴⁸¹

MORE TESTS AND MORE OPINIONS

In the same *Herald* edition that published Fraser's letter, Montgomery reported the assay results he obtained for Anderson: 1dwt 21gr, 7dwt 13gr, and 8dwt 20gr of pure gold, no silver being detected. In every test he had found a trace of gold, sometimes as much as ten grains; 'anything less than 1dwt of gold per ton is usually returned as a "trace" by assayers'.⁴⁸² On 28 October, an examination of the sands with a 'huge' microscope was made at Christchurch in the presence of many shareholders. None of the latter knew

⁴⁸⁰ Letter from George Fraser, *New Zealand Herald*, 29 October 1887, p. 3.

⁴⁸¹ *New Zealand Herald*, 25 October 1887, p. 5.

⁴⁸² *New Zealand Herald*, 29 October 1887, p. 3.

what magnified gold should look like, but after experimenting with filing sovereigns they could see that the sample assayed by Bickerton had not been salted.

Filled with hope at this additional evidence of the genuineness of Waitoa, someone prophesied that in the near future they would be able to establish a Mint up there. Whereupon another man assumed the air of a candid friend and gravely pointed out that before they would be ready for that they would have to get in a good many *lambs*. The joke was taken kindly, for, though severe, it was good; moreover, the joker was the biggest man present.⁴⁸³

The implication of lambs being fleeced was headed 'Truth in Jest' when this report was reprinted in the *Herald*.⁴⁸⁴

On 29 October, the *Herald* reported that Hutton and Richard William Fereday, a Christchurch solicitor,⁴⁸⁵ after experimenting with washdirt from Smith's farm, were convinced the bullion was water-worn, not filings, although Hutton agreed that some sand obtained by Durward had been salted.⁴⁸⁶ On the same day, 'Mercutio' noted that Hutton had promised the syndicate that they would obtain gold worth £600,000,000, more than all the mines of California, Australia and New Zealand had produced since their discovery. After this vision faded because of what the microscope revealed, he anticipated that Hutton would in future confine himself to pure science and cease sponsoring mining ventures.⁴⁸⁷

Three days later, the *Press* published a special reporter's account of examining Durward's samples that Pond said contained filings. Joseph James Kinsey, a partner with Barns as shipping and insurance brokers,⁴⁸⁸ who manipulated the microscope, confirmed they contain filings. Some 'plainly show the marks of the tool with which they have been taken off', and there was 'not the slightest resemblance' between the natural gold and what he considered should be called shavings, not filings, for the marks of a knife were 'as clearly traceable as they would be in a piece of cheese'. When

⁴⁸³ *Press*, 29 October 1887, p. 5.

⁴⁸⁴ *New Zealand Herald*, 31 October 1887, p. 6.

⁴⁸⁵ *St Alban's Electoral Roll*, 1887, p. 8.

⁴⁸⁶ *New Zealand Herald*, 29 October 1887, p. 5.

⁴⁸⁷ 'Mercutio', 'Local Gossip', *New Zealand Herald*, 29 October 1887, Supplement, p. 1.

⁴⁸⁸ See *Cyclopedia of New Zealand*, vol. 3, pp. 98, 282.

Kinsey cut some sovereigns, the shavings were identical to those detected by Pond.⁴⁸⁹

Anderson was interviewed in Auckland after returning from Thames. Shown confirmation that Bickerton's samples had not been salted, he did not consider this cast any further light, for it was known that gold existed irrespective of the salting. His tests were 'satisfactory, and if not salted would prove payable', and he expected the company 'to give the place a fair trial'.⁴⁹⁰ Letters from two 'practical diggers' were received: Dixon (already quoted) and John McColl, an old Otago and Thames miner. As Smith would not let him onto his farm, McColl had tested adjoining land. As some silver had been found, he suggested the salting came not from gold coins but from 'a piece of gold and silver mixed as it comes out of the retort, or pounded up quartz from specimens from other mines, or alluvial gold from other fields all mixed together'. He hoped 'the Waitoa bubble' would 'soon burst'.⁴⁹¹

SMITH UNDER SUSPICION

'Mercutio' predicted that, 'probably, we shall one day get an answer to the question of "Who did it?" In the meantime, our suspicions can only travel in the direction of "To whose advantage was it?" and, "Were any of those people pressed for money?"'⁴⁹² He did not attempt to answer his questions; but Smith was an obvious target. Three days later, prompted by Pond's refusal to revisit the site, he invited several Te Aroha residents, some with considerable mining experience, together with visitors from the West Coast, to view the shafts from which Pond's party had taken the salted samples.⁴⁹³ He wanted them to 'inspect for themselves the stuff stated to have been salted. The general opinion of those who comprised the party was that the stuff around the shafts had never been shifted since the day first placed there, as it undoubtedly had the appearance of having lain undisturbed for some length of time'. Tests were taken from the heaps and placed in new canvas bags 'specially taken for the purpose' and panned off by two experienced miners. 'The result in each instance was that no trace of either natural gold or filings could be seen; the concentrations (principally

⁴⁸⁹ Special Reporter, *Press*, 1 November 1887, p. 6.

⁴⁹⁰ *New Zealand Herald*, 31 October 1887, p. 6.

⁴⁹¹ Letters from A. Dixon and John McColl, *New Zealand Herald*, 31 October 1887, p. 6.

⁴⁹² 'Mercutio', 'Local Gossip', *New Zealand Herald*, 29 October 1887, Supplement, p. 1.

⁴⁹³ Te Aroha Correspondent, *New Zealand Herald*, 3 November 1887, p. 5.

blacksand) were, however, carefully preserved by being sealed up in a bottle'. Smith and Cox were 'onlookers, but took no part' in directing the work.⁴⁹⁴ Smith wanted to prove there had been no tampering on his land and that, as no filings were in the heaps,

unless the person who did this salting knew by some prophetic instinct the precise spots in the various heaps where these samples were to be taken from. The party returned to Te Aroha satisfied with the straightforward manner in which Mr Smith had dealt with them, and convinced that the sand lying about in the various workings remains there now, neither richer nor poorer than when it was taken from the bowels of the earth.⁴⁹⁵

According to a Te Aroha correspondent, the dozen men who took part in this trial were satisfied with its fairness, and 'it would be a hard matter to convince any of them' that the filings came from these heaps.⁴⁹⁶ 'Mercutio' considered this demonstration did not answer all the questions:

I am utterly puzzled as to the latest development of the Waitoa mystery. Mr J.B. Smith said he would defy anyone to come to his place, to take stuff from the heaps thrown out on his land, without finding a payable result. And now a number of parties, go, take samples, and find nothing at all. And Mr Smith seems to think that the whole question of "salting" is disproved, because these parties did not find filings! He is very easily satisfied if he does not see that he has several difficulties still to get out of. Nobody ever said that these heaps were all salted with filings - that would have been a very expensive process. The suspicion is that the bags were salted. But how does it come that these heaps, which were of the same stuff from which the first tests were taken, now yield no gold, when the former tests gave splendid results? Mr Smith, it seems to me, is on the horns of a dilemma. He has proved too much.⁴⁹⁷

These comments prompted 'True Briton' to defend Smith by arguing that neither he nor Hutton nor Gordon had claimed gold visible to the naked eye or to an ordinary magnifying glass would be found. What Smith 'meant was that he would defy anyone to take stuff without getting a good

⁴⁹⁴ *Te Aroha News*, 5 November 1887, p. 2.

⁴⁹⁵ *Waikato Times*, 5 November 1887, p. 2.

⁴⁹⁶ Te Aroha Correspondent, *New Zealand Herald*, 3 November 1887, p. 5.

⁴⁹⁷ 'Mercutio', 'Local Gossip', *New Zealand Herald*, 5 November 1887, Supplement, p. 1.

return by assay'. The 'party of thoroughly honest and practical man' left Waitoa 'perfectly satisfied that there was no unnatural gold there as described by the Auckland professors'. Gossip that the bags had been salted was 'all round hitting, and must imply that all his neighbours were in the plot to rob the public, for the bags were collected from all quarters, and as many were obtained from Mr Smith's neighbours as from his own place'. The 'trusted agents of the company' who obtained the samples for it were 'above suspicion', and Smith had been away at the time.⁴⁹⁸ (But 'True Briton' had no answer to the question of where the filings came from except to deny that Smith and his neighbours could all be rogues.)

FURTHER ARGUMENTS

At the beginning of November, it was reported that Hutton's experiments had proved there was 'very fine alluvial gold' in the land purchased from Smith, and that the sample taken from the adjoining land and sent to Christchurch by Durward 'had been liberally, but not very scientifically, "salted" '. Hutton was convinced of the genuineness of Smith's sands because the miniature nuggets had 'the peculiar dark red blotch of tin found in alluvial gold', but the gold would be difficult to extract 'on account of the extreme fineness of the particles'. However, blowpipe experiments by a Mr Hunter, of the Auckland firm of Stewart and Hunter, civil engineers, once more proved sovereigns had been used, his chemical tests showing 'the presence of copper and absence of silver in the filings'. Galbraith confirmed the saltings were a copper-gold alloy, probably drillings rather than filings.⁴⁹⁹

Despite the continuing controversy, some optimists continued prospecting. A test of a drain on a Shaftesbury farm at the beginning of November producing 2dwt of gold per ton convinced one reporter that payable gold existed 'over a great area of country'.⁵⁰⁰ Some Australian speculators visited Waitoa early that month, took samples, and departed 'favourably impressed';⁵⁰¹ they were never heard from again.

On 8 November the *Waikato Times* published a letter from 'An Old Thames Miner', who claimed to be a 'disinterested onlooker'. He considered

⁴⁹⁸ Letter from 'True Briton', *Waikato Times*, 19 November 1887, p. 2.

⁴⁹⁹ *New Zealand Herald*, 1 November 1887, p. 5.

⁵⁰⁰ *New Zealand Herald*, 5 November 1887, p. 5.

⁵⁰¹ *Te Aroha News*, 12 November 1887, p. 2.

the Auckland scientists had shown 'inconsistency and consequent unreliability' in their tests, had not proved the existence of filings, and that Pond and Thomas were 'exhibiting neither common sense nor justice'. After stating the motive was 'incomprehensible', he reminded readers 'to remember the interesting cold water amalgam episode' at the opening of the Waiorongomai goldfield.⁵⁰² 'Then the object was to puff the field; now, apparently, it is the reverse'.⁵⁰³

In response, 'Justicia' wrote to the *Herald* on 22 October, but only the *Waikato Times* would publish his letter. He was concerned that Smith's 'rich sample' Pond 'carefully saved' had not been 'displayed, although the iron filings were significantly placed upon the table'. Kelly's sample 'first excited suspicion', but 'who is Kelly? What was his object and authority? Who were his companions?' Murray had been named: who was the other? With Smith's good name having been 'roughly handled', although not 'a shadow rests upon it', this should be known, for 'it savours of suspicion that one man above all others should keep his name shut back'. A 'strong opposing interest' was probably responsible for the salting accusation. 'It may be, that party from whose sample suspicion dates, dropped, somewhere upon that ground, or near, upon so rich a prize, they have sold themselves to the opposing interest to decry the field, that the booty may eventually become their own'. He charged the company with lacking 'business and energy in not closely investigating Kelly and his party from whose visit and samples the suspicion arose'.⁵⁰⁴

The identity of the third man was revealed by Patrick Kelly, now an Otahuhu publican, who had lived in New Zealand for 23 years and been 'connected with' its goldfields since mining started at Thames. His 'only object in going to Waitoa was to see for myself what the prospect was like, and to satisfy myself as to its genuineness'. His companions had been Murray and William Steele, a Hamilton land agent,⁵⁰⁵ who had invested in

⁵⁰² See paper entitled 'The First Crushing at Waiorongomai'.

⁵⁰³ Letter from 'An Old Thames Miner', *Waikato Times*, 8 November 1887, p. 3.

⁵⁰⁴ Letter from 'Justicia', 22 October 1887, *Waikato Times*, 19 November 1887, p. 2.

⁵⁰⁵ See *Waikato Times*, 22 September 1898, p. 2, 24 September 1898, p. 2, 27 September 1898, p. 2; *Cyclopedia of New Zealand*, vol. 2, p. 752; Eric Beer and Alwyn Gascoigne, *Plough of the Pakeha* (Cambridge, 1875), pp. 97, 127, 149, 150, 174.

several Te Aroha and Waiorongomai mines.⁵⁰⁶ Neither Kelly nor Murray had known Steele previously, but they met him ‘accidentally at Morrinsville’. There had been no effort to conceal Steele’s name, and Kelly was willing to be investigated by both ‘Justicia’ and the company, publicly. ‘I have never concealed my name nor any of the parties who were with me’, and it was wrong for ‘Justicia’ ‘to insinuate that I have done so for a dishonest purpose’.⁵⁰⁷ ‘Justicia’ neither responded nor apologized.

LAST DAYS OF THE WAITOA ‘GOLDFIELD’

Late in November, Maude and Barns visited Auckland and Waitoa to make a ‘searching investigation’ into how the salting had been done.⁵⁰⁸ They held ‘several interviews’ with Smith, and arranged for him to attend a shareholders’ meeting in Christchurch, prompting a caustic comment in the *Herald*: ‘We shall then in all probability have for the first time Mr Smith’s explanation of how it was that the stuff he furnished for testing’ to Hutton and Hector and others ‘turned out so rich, while samples taken by others from the ground gave a very different result. We wish Mr Smith every success in his task’.⁵⁰⁹ As a result of their discussions, Maude sent a telegram to the company stating that ‘they considered the field had been salted’.⁵¹⁰

‘Mercutio’ commented again in mid-December:

Mr Smith, of Waitoa goldfield celebrity, is still flitting about, on the eve of his visit to Christchurch, where he will face the irate shareholders of the company. The point which now arises between the parties is as to the fulfilment of the agreement. Some £2000 has been paid to Mr Smith, while £12,000 still remains to be paid. The company, I understand, will decline to pay over this sum on the ground that they were deceived, and that the stuff submitted as a sample of the whole was “salted.”

⁵⁰⁶ Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888, folios 6, 55, 64, BBAV 11567/1a, ANZ-A; *New Zealand Gazette*, 30 December 1880, p. 1797, 28 April 1881, p. 476, 13 July 1882, p. 961, 17 August 1882, p. 1121, 31 May 1883, p. 722.

⁵⁰⁷ Letter from Patrick Kelly, *Waikato Times*, 24 November 1887, p. 2.

⁵⁰⁸ *Waikato Times*, 26 November 1887, p. 2, 6 December 1887, p. 2; *Te Aroha News*, 26 November 1887, p. 2, 7 January 1888, Supplement, p. 4.

⁵⁰⁹ *New Zealand Herald*, 5 December 1887, p. 7.

⁵¹⁰ *Press*, 13 October 1888, p. 6.

He anticipated 'a very pretty piece of litigation' with Thomas, Hutton, Hector, 'and many other celebrities in the witness box'.⁵¹¹

On 22 December, a meeting of shareholders considered Maude and Barns' voluminous report, based on evidence provided by Pond, Whitaker, Witheford, and others, which expressed no opinion about the identity of the person or persons responsible for the salting. Smith told the meeting that 'he was himself convinced that there had been fraud, but to what extent he did not know'. After having a long discussion, shareholders 'expressed themselves perfectly satisfied' with Smith's 'bona fides throughout the whole affair'.⁵¹² Upon returning to the North Island, Smith contacted the police and offered a reward of £100 'to any person who will furnish me with evidence, which will establish in a Court of Justice, who it was that salted by mixing gold filings or unnatural gold with the soil of my land at Waihou, Piako, and this either before or after the soil left my land'.⁵¹³ Once again, by implying the salting could have taken place in Auckland, Smith was ignoring the fact that the filings were placed in the bags, not the soil. Nobody claimed the reward.

The value of the company's shares declined very rapidly in October because of the 'contradictory reports', and by late that month shares were selling at from 7s 6d to 10s.⁵¹⁴ Earlier traded for £2, they were now unsaleable at par, £1.⁵¹⁵ Nevertheless, 'good parcels' of shares were still being sold at Christchurch, where confidence in the field continued.⁵¹⁶ Some Aucklanders also sought shares at these low prices,⁵¹⁷ reflecting expectations that they would recover. At a company meeting held on 22 December,

Mr Smith was questioned as to his position respecting the Company. He stated that he had received £2,000 cash on account

⁵¹¹ 'Mercutio', 'Local Gossip', *Auckland Weekly News*, 17 December 1887, p. 7.

⁵¹² *Auckland Star*, n.d. [missing issue of 26 December 1887], reprinted in *Te Aroha News*, 7 January 1888, Supplement, p. 4.

⁵¹³ *Waikato Times*, 5 January 1888, p. 2; advertisement, *Te Aroha News*, 11 February 1888, p. 2.

⁵¹⁴ *Auckland Star*, 19 October 1887, p. 8.

⁵¹⁵ *Te Aroha News*, 22 October 1887, p. 2.

⁵¹⁶ *Te Aroha News*, 22 October 1887, Supplement, p. 7.

⁵¹⁷ *New Zealand Herald*, 25 October 1887, p. 5.

from the Company, and had sold about £200 worth of shares. The £2,000, however, had been paid away entirely for commissions and brokerage in connection with the floating of the concern, and with the other expenses he was fully £1,000 out of pocket. Mr Smith then offered to cancel the agreement whereby he was to receive £12,000 for his property, money already paid to him not to be refunded, and the land to be handed back to him; or he would be agreeable to test 100 tons of stuff at his own expense, but under the supervision of the Company, and if the result proved favourable the directors might complete the original agreement. It was resolved that a test of from 100 to 300 tons be made, the Company to pay the costs of testing any stuff exceeding the 100 tons, the cost of treatment of which Mr Smith offered to provide, the Company at once to cancel their right to the lower 1,000 acres. Several of the directors, who said they had no confidence in the company, resigned, and others were appointed in their places. It was agreed that Mr Price should put up a pan on the ground for the purpose of making the test suggested by Mr Smith.⁵¹⁸

Smith had received £100 to meet expenses incurred on the company's behalf;⁵¹⁹ the nature of the other expenses that had led his being £1,000 'out of pocket' were not revealed. When the company refused to complete the purchase of his farm, Smith first threatened to sue it should he find gold,⁵²⁰ but on 28 December signed an agreement cancelling the sale.⁵²¹

AN INVENTOR COMES TO SMITH'S AID

Before attending the Christchurch meeting, Smith decided to make further tests, announcing in early December that he would use an invention of James Sinden's,⁵²² a blacksmith at Alexandra (later Pirongia). An inventor of agricultural implements, in March 1887 Sinden and a partner sought a patent for one to be known as 'the Alexandra cultivator'.⁵²³ Sinden had earlier been interested in mining, in July 1885 being a member of a

⁵¹⁸ *Auckland Star*, n.d. [missing issue of 26 December 1887], reprinted in *Te Aroha News*, 7 January 1888, Supplement, p. 4.

⁵¹⁹ *Press*, 13 October 1888, p. 6.

⁵²⁰ *Press*, 13 October 1888, p. 6; *Waikato Times*, 27 December 1887, p. 2.

⁵²¹ *Waikato Times*, 5 January 1888, p. 2; *Te Aroha News*, 7 January 1888, Supplement, p. 4.

⁵²² *Waikato Times*, 10 December 1887, p. 2.

⁵²³ *Waikato Times*, 3 March 1887, p. 2.

committee hoping to develop a nearby goldfield,⁵²⁴ and by June 1887 'experiments on a small scale' using his gold-saving process were so successful that Smith ordered 'the machinery necessary to give the process a trial on a large scale' from Auckland. The process, 'forcing the stuff through a bath of quicksilver', meaning mercury, was believed 'to answer admirably' for the Waitoa deposit because it was 'almost wholly free from the baser minerals that act injuriously upon the quicksilver'.⁵²⁵ It had been intended that Hutton would test the process when visiting Waitoa in July, but 'the machinery was not ready in time'.⁵²⁶ Bickerton examined it at Smith's request and reported it was 'of great merit' and would 'effect its object in a very perfect manner'.⁵²⁷ A patent for 'the Eureka Gold-saving Machine' was applied for in August under the names of both Smith and Sinden.⁵²⁸ In that month, Sinden patented his 'Idioline ore reducer', which was claimed to save more bullion than existing processes.⁵²⁹ This machine was tested at Thames early in 1888, successfully, according to Sinden,⁵³⁰ but was not used at Waitoa because of the nature of the sands.

Immediately after the breakdown of the arrangement whereby Fraser was to erect a plant, an Alexandra correspondent reported that Sinden's invention had satisfied many people that it could 'thoroughly perform the work and save the gold. The machines could be supplied at a cost of only £10', and Sinden claimed 'they would put through twenty tons of Waitoa washdirt per day'. This correspondent expected Sinden to erect a machine at Waitoa and prove its value: if it worked, then Waitoa would become a poor man's field after all, and Sinden would receive 'a larger fortune' than Smith.⁵³¹ Shortly afterwards, Sinden was asked to set up a machine at Hamilton 'to demonstrate its value and efficiency', several people having offered to meet the cost of conveying ten tons of washdirt from Waitoa for treatment.⁵³²

⁵²⁴ *Waikato Times*, 11 July 1885, p. 3.

⁵²⁵ *Waikato Times*, 25 June 1887, p. 2.

⁵²⁶ *Waikato Times*, 2 July 1887, p.2, 9 July 1887, p. 3.

⁵²⁷ *Reports Upon the Auriferous Deposit*, p. 9.

⁵²⁸ *New Zealand Gazette*, 11 August 1887, p. 1082.

⁵²⁹ *Waikato Times*, 13 August 1887, p. 2, 16 August 1887, p. 3.

⁵³⁰ *Waikato Times*, 23 February 1888, p. 2.

⁵³¹ Alexandra Correspondent, *New Zealand Herald*, 7 October 1887, p. 5.

⁵³² Alexandra Correspondent, *New Zealand Herald*, 11 October 1887, p. 5.

Responding to comment about delays in erecting his machinery, Sinden explained in late October that Smith had ‘entered in to arrangements with me in consideration of half my rights in the patent. I received a certain number of paid up shares in the Waitoa Gold Mining Company, he undertaking on his part to erect a large machine, and have it worked’. Smith refused to permit the erection of a smaller one on Parr’s farm until his one was operating, and as Smith had ‘throughout acted so thoroughly straightforward’ Sinden ‘would not for any consideration do otherwise with him, by interfering with his privileges’.⁵³³ In December, Smith arranged for Sinden to erect a machine and a steam engine on the unsold portion of his farm. Smith was ‘sanguine it will pay well, from the assays he has had made, as the machine can be worked so economically’ that 3dwt to the ton ‘would be a payable’. Sinden would have complete charge of the test.⁵³⁴ Whilst awaiting its erection, Smith announced that he would conduct testing ‘on a large scale’, and took more samples for testing at Thames.⁵³⁵

Before Sinden’s machine started working in February 1888, the small plant erected by Price Bros. for the company became operational, Cox visiting from Christchurch to observe its testing, which was intended to take two to three weeks under McCombie’s supervision.⁵³⁶ Chudleigh spent all of 15 February at the shafts and battery with Cox, the ‘general confidence man for all concerned’, watching the first trial, which he expected to fail. ‘No one thinks the battery can get any gold from this sort of stuff even if there is any gold in the stuff which many people doubt’.⁵³⁷ That Smith retained his hopes was shown four days later when Chudleigh ‘walked and talked for a long time’ with him: ‘he certainly believes our fortunes are settled fact’.⁵³⁸ On 23 February a private letter sent to the *Waikato Times* revealed that no gold had been found.⁵³⁹ At the end of the month, Smith was still ‘very full of his gold saving machine and the future of Waitoa’, but Chudleigh remained unconvinced, ‘as all our trial stuff as yet

⁵³³ *Waikato Times*, 22 October 1887, p. 2.

⁵³⁴ *Waikato Times*, 10 December 1887, p. 2.

⁵³⁵ *Te Aroha News*, 17 December 1887, p. 2; *Thames Advertiser*, 14 February 1888, p. 2.

⁵³⁶ *Waikato Times*, 12 January 1888, p. 2, 18 February 1888, p. 2; *Te Aroha News*, 14 January 1888, p. 2, 18 February 1888, p. 2.

⁵³⁷ Chudleigh, p. 360.

⁵³⁸ Chudleigh, p. 360.

⁵³⁹ *Waikato Times*, 23 February 1888, p. 2.

has returned next to nothing'. If no gold was found after boring 400 feet he would be 'quite satisfied there is nothing in the whole field'. Fraser told Chudleigh he was convinced there was no gold unless 'at the bottom of the pumice deposit'.⁵⁴⁰

Within a month of the plant starting, the directors ordered all operations to cease, 'as they have failed to obtain any results, and they conclude the ground is not worth its salt' (an unfortunate use of this cliché). Smith then resumed 'possession of the property'.⁵⁴¹ The company sold the machinery back to Price Bros. for £100,⁵⁴² one-fifth of its purchase price. 'Extensive boring operations' continued during March, a number of the holes attaining 40 feet, the full extent of the boring rods available. The *Te Aroha News* understood that 'but little encouragement' had been met with, but was told that the syndicate, 'determined to carry it through in a thorough manner', had acquired boring equipment that could test to 200 feet. Once instructed, boring would recommence.⁵⁴³ These instructions did not come; because the 20 holes had failed to find any trace of gold, late in March the company abandoned the ground.⁵⁴⁴

Sinden's machine, constructed on the banks of the river about two miles from the Waitoa Company's plant, was much smaller than originally planned, cost a mere £40 to erect, and could treat only five tons a day. Operations commenced a week after the company ceased work, both Smith and Sinden claiming they would find payable gold.⁵⁴⁵ Three weeks later, in mid-April, Sinden 'abandoned further operations'.⁵⁴⁶ In March the following year, he took Smith to court to enforce payment of £30 3s 10d for balance of wages and travelling expenses; Smith was ordered to pay, less £3 'one week's wages in lieu of warning'.⁵⁴⁷ At least Sindon survived financially

⁵⁴⁰ Chudleigh, p. 360.

⁵⁴¹ *Waikato Times*, 15 March 1888, p. 2.

⁵⁴² *Waikato Times*, 26 April 1888, p. 2.

⁵⁴³ *Te Aroha News*, 21 March 1888, p. 2.

⁵⁴⁴ *Te Aroha News*, 21 March 1888, p. 7.

⁵⁴⁵ *Waikato Times*, 27 March 1888, p. 2.

⁵⁴⁶ *Waikato Times*, 19 April 1888, p. 2.

⁵⁴⁷ Hamilton Magistrate's Court, Civil Record Book 1877-1894, folio 31, BCDG 11256/3a, ANZ-A; Magistrate's Court, *Waikato Times*, 7 March 1889, p. 2.

compared with 1885, when he had lost his house and land after being forced into bankruptcy.⁵⁴⁸

Barns' salary as secretary of the company ceased at the end of December.⁵⁴⁹ On 23 April the following year a meeting was held to wind up the company, Barns being appointed the first liquidator, a task later taken over by William Henry Hargreaves, a shareholder.⁵⁵⁰

The last mention of the company to be published in Auckland was in late 1905, when the death of Hutton reminded the *Observer* that 'he was one of the victims of the notorious swindle that was known at the time as the Waitoa gold find'. Hutton and his friends 'sank a lot of capital in it', which they lost, and Hutton 'never retrieved his financial reverse'.⁵⁵¹ This appears to be an exaggeration; although Hutton's financial position in 1887 is unknown, his estate was declared to be worth under £2,000,⁵⁵² hardly a sign of poverty.

FINANCIAL DISPUTES

During May, disputes broke out amongst the shareholders, three of whom, holding 1,500 shares, wanted all money used for promoting the company returned, 'free of all commissions, &c'.⁵⁵³ Accusing Maude and Barns of 'a misfeasance', they sought £2,000 'illegally received for promotion money'; the two men had received this sum from Smith, who in turn had received it from the company.⁵⁵⁴ On the morning of the hearing in early July, Harper and Company were reported to have repaid this sum to the liquidator, but as counsel could not confirm this fact, the hearing was adjourned.⁵⁵⁵ When resumed a week later, affidavits from Maude and Barns declared that Harper and Company 'were willing to submit the matter to a committee of the shareholders as to the amount of remuneration they were

⁵⁴⁸ *Waikato Times*, 25 November 1884, p. 2, 10 January 1885, p. 3, 22 January 1885, p. 3, 10 February 1885, p. 4, 24 February 1885, p. 3, 21 May 1885, p. 3, 22 September 1885, p. 2, 5 January 1886, p. 3.

⁵⁴⁹ *Press*, 13 October 1888, p. 6.

⁵⁵⁰ *Press*, 13 October 1888, p. 6.

⁵⁵¹ *Observer*, 18 November 1905, p. 4.

⁵⁵² Probate of Frederick Wollaston Hutton, CH 5468/1905, CH 171, ANZ-C.

⁵⁵³ Supreme Court, *Press*, 14 July 1888, p. 6.

⁵⁵⁴ Supreme Court, *Press*, 14 June 1888, p. 6, 6 July 1888, p. 6, 14 July 1888, p. 6.

⁵⁵⁵ Supreme Court, *Press*, 6 July 1888, p. 6.

entitled to receive', and neither it nor any of its employees would vote; Mr Justice Ward considered that 'a fairer proposition' could not be made. Harper and Company had paid half the money demanded; Acland and Barns had not paid any money over yet and were not willing to lose their right to participate in the decision, stipulating, as was normal in arbitration, that they should nominate one member of the committee. Counsel for the defendants considered their offer to let the committee decide would have long since permitted the issue to be resolved had not the charge of misfeasance been laid. This charge could not but 'irritate' his clients, and he claimed there had been 'marked symptoms of hostility from the beginning'. Ward noted that although £1,000 had been repaid, 'certain large deductions are proposed to be made from it'. He considered that if the majority of shareholders wished to pay them for their services, 'there could be no objection'. In ordering the matter to stand over for a month, Ward commented that Maude and Barns 'appear to have acted throughout in a perfectly honorable manner'.⁵⁵⁶

On 12 October, when the hearing resumed, it was reported that the other £1,000 had been handed over and the committee and the arbitrators had met. General meetings had confirmed the allocation of 3d per share, all that shareholders would receive. From the £2,000 handed over, Maude and Barns received an unspecified amount for their services. The liquidator detailed the various meetings, noted that Barns was very reluctant to hand over his £1,000, and provided other details of the company's management and liquidation.⁵⁵⁷ After further legal arguments, Ward dismissed the case;⁵⁵⁸ this outcome was reported in Auckland,⁵⁵⁹ suggesting that interest in the affair still existed there.

As a footnote, the firm of Harper and Company collapsed in early 1893.⁵⁶⁰ In May the following year, Maude and George Harper were struck off the rolls for misconduct in dealings with clients. Less than a month later, Edward Parkerson, their financial manager, received two years' imprisonment with hard labour for embezzling £500. Leonard Harper, the senior partner, who had gone to England to raise up to £200,000 to solve the

⁵⁵⁶ Supreme Court, *Press*, 14 July 1888, p. 6.

⁵⁵⁷ *Press*, 13 October 1888, p. 6.

⁵⁵⁸ *Press*, 25 October 1888, p. 4.

⁵⁵⁹ *Auckland Weekly News*, 3 November 1888, p. 20.

⁵⁶⁰ *Mercantile and Bankruptcy Gazette of New Zealand*, 21 May 1895, p. 270.

firm's financial problems, was not expected to return.⁵⁶¹ The firm was accused of being a 'whited sepulchre' which should have been in court.⁵⁶² It had been in financial difficulties since 1885 'owing to rubbishy investments, loans to friends, and drawing by partners'.⁵⁶³ Only Leonard Harper's being out of the colony prevented his being struck off the rolls.⁵⁶⁴ He was accused of being responsible for the worsening finances: from 1885 to 1891 'losses were continually being made, clients' moneys were disappearing every day, in interest, bad debts, and partners' drawings', each year being worse than the preceding one. When Maude, aware of the deepening crisis, left the firm in 1892, the two Harpers were the remaining partners. George Harper was viewed as 'more sinned against than sinning'; after failing to act while his brother was in the colony, he finally acted to save some of the clients' money, 'brought the affairs of the firm to a close, and calmly waited for that which he knew must be inevitable', the firm's bankruptcy.⁵⁶⁵ Some felt it was the victim of commercial forces rather than dishonesty.⁵⁶⁶ In May 1895, the government decided to take Leonard Harper to court and he was arrested in Jersey, where he was living, and extradited to New Zealand, protesting he had 'a perfect answer to all the charges' and was anxious to be tried.⁵⁶⁷ At his trial, the jury decided there was no evidence of criminality.⁵⁶⁸ His brother returned to the legal profession and continued to be a respected member of the community, later becoming Sir George.⁵⁶⁹

SMITH MOVES ON

⁵⁶¹ *Mercantile and Bankruptcy Gazette of New Zealand*, 7 June 1894, p. 257.

⁵⁶² Editorial, *Mercantile and Bankruptcy Gazette of New Zealand*, 7 June 1894, p. 258.

⁵⁶³ Editorial, *Mercantile and Bankruptcy Gazette of New Zealand*, 14 June 1894, pp. 269-270.

⁵⁶⁴ *Mercantile and Bankruptcy Gazette of New Zealand*, 14 June 1894, p. 269.

⁵⁶⁵ *Mercantile and Bankruptcy Gazette of New Zealand*, editorial, 14 June 1894, pp. 269-270, 12 July 1894, pp. 312, 316-317, 21 February 1895, p. 94.

⁵⁶⁶ See letter from H.B. Huddleston, *Mercantile and Bankruptcy Gazette of New Zealand*, 26 July 1894, pp. 335-336.

⁵⁶⁷ *Mercantile and Bankruptcy Gazette of New Zealand*, 23 May 1895, p. 270; *British Australasian*, 8 August 1895, p. 1229; *Cyclopedia of New Zealand*, vol. 3, p. 96.

⁵⁶⁸ *British Australasian*, 30 April 1896, p. 626.

⁵⁶⁹ Eldred-Grigg, p. 111.

In November 1887, Smith sold all his stock, furniture, and effects:⁵⁷⁰ ‘on the whole most satisfactory prices were realized’.⁵⁷¹ He did not attend the February 1888 meeting of the county council; half way through it, he ‘telegraphed from Thames his resignation’, without providing any reason.⁵⁷² When applying for a mining claim at Maratoto in late April that year, he was recorded as being a farmer at Waihou,⁵⁷³ but may have been at Karangahake, where he obtained two claims, the Silver King and the Shotover, in June and August respectively.⁵⁷⁴ In mid-August he was arranging for the removal of his assay plant from Waitoa to Karangahake.⁵⁷⁵ When a daughter was born in Tauranga in October, his occupation was still recorded as ‘farmer’.⁵⁷⁶ In January 1889, when a man was charged in Te Aroha with having stolen clothing and a chequebook from Smith in March the previous year, the case was dismissed because Smith had left New Zealand.⁵⁷⁷ Four months later, when his farmhouse burnt down, it was revealed that it had been occupied for the previous three months by the family of a prominent local miner, Clement Augustus Cornes,⁵⁷⁸ for Smith had gone to live in Sydney some months previously. The press doubted that there was any insurance on the house.⁵⁷⁹ In the following month, his Karangahake claims were forfeited.⁵⁸⁰ His reputation cannot have been helped by his being a director of the Transpacific Insurance Company, formed in Sydney in October 1889 but liquidated two years later, as was its New Zealand offshoot, Federation Insurance, because of having inadequate funds. Operating in Queensland, Victoria, and New

⁵⁷⁰ *Te Aroha News*, 12 November 1887, p. 3, 19 November 1887, pp. 2, 3.

⁵⁷¹ *Te Aroha News*, 26 November 1887, p. 2.

⁵⁷² Piako County Council, *Te Aroha News*, 18 February 1888, p. 2.

⁵⁷³ Paeroa Warden’s Court, Maratoto Mining Surveys, entry for 26 April 1888, BAAZ 1108/101b, ANZ-A.

⁵⁷⁴ *Te Aroha News*, 2 June 1888, p. 7, 18 August 1888, p. 2; Warden’s Court, *Thames Star*, 10 August 1888, p. 2.

⁵⁷⁵ *Te Aroha News*, 18 August 1888, p. 2.

⁵⁷⁶ Birth Certificate of Ruth Elinor Smith, 12 October 1888, 1888/7675, BDM.

⁵⁷⁷ Police Court, *Te Aroha News*, 19 January 1889, p. 2.

⁵⁷⁸ See paper on his life.

⁵⁷⁹ *Te Aroha News*, 15 May 1889, p. 2; *Waikato Times*, 14 May 1899, p. 2.

⁵⁸⁰ Thames Warden’s Court, Register of Licensed Holdings 1887-1891, folios 146, 149, BACL 14355/1a, ANZ-A; *Te Aroha News*, 15 May 1889, p. 2, Thames Warden’s Court, 15 June 1889, p. 2, 26 June 1889, p. 2.

Zealand, Smith and another man had received 2,000 shares jointly as vendors of the New South Wales Provident Association. Transpacific Insurance was described, after its collapse, as a 'wild cat' company.⁵⁸¹ His Waitoa farm remained in the hands of his solicitors until February 1894, when it was transferred to another firm of Christchurch solicitors.⁵⁸² In 1892 a neighbouring farmer noted that, despite Smith's successor's poor management, it provided a little fortune' of 'no less than £700 a year'.⁵⁸³

Smith did not return to New Zealand, remaining in Sydney, where the last two of his six children were born, Beatrice Anlezark in 1891 and Eric Seddon in 1895.⁵⁸⁴ When he left New Zealand his family had comprised two sons and two daughters.⁵⁸⁵ When living in the Sydney suburbs of Double Bay and Point Piper during the 1890s, he was first a broker and then a dentist.⁵⁸⁶ He retained some contact with his former neighbours, Rueben Parr's son later recording that 'after many vicissitudes' in Sydney, Smith became 'a successful professional man'.⁵⁸⁷ In December 1908 the *Observer* knew he was living in Sydney.⁵⁸⁸ Two years later, when his eldest daughter was married, the marriage notice asked New Zealand papers to copy it.⁵⁸⁹

In 1891, a creditor's petition against him in the bankruptcy court was withdrawn.⁵⁹⁰ In March 1894, when he was a canvasser, he voluntarily assigned his estate to his creditors.⁵⁹¹ Two months later, 'J. Bealby-Smith,

⁵⁸¹ *Otago Daily Times*, 24 October 1891, p. 6.

⁵⁸² Lands and Survey Department, *Certificates of Title Register Books*, vol. 17 folio 230, Land Information New Zealand, Hamilton.

⁵⁸³ William Moon to 'My dear Harry', 1 October 1892, William Moon Papers, in possession of Peter Barker, Waihou.

⁵⁸⁴ Birth Certificates of Beatrice Anlezark Smith, 15 April 1891, 38741/1891; Eric Seddon Smith, 20 July 1895, 28606/1895; Death Certificate of Caroline Smith, 15255/1910, New South Wales BDM.

⁵⁸⁵ Birth Certificates of John Lionel Smith, 24 April 1882, 1882/5957; Bellefield Seddon Smith, 27 January 1884, 1884/1356; Amy Gertrude Smith, 24 October 1886, 1886/19452; Ruth Elinor Smith, 12 October 1888, 1888/7675, BDM.

⁵⁸⁶ Birth Certificates of Beatrice Anlezark Smith, 15 April 1891, 38741/1891; Eric Seddon Smith, 20 July 1895, 28606/1895, New South Wales BDM.

⁵⁸⁷ Parr, p. 14.

⁵⁸⁸ *Observer*, 12 December 1908, p. 4.

⁵⁸⁹ Family Notices, *Sydney Morning Herald*, 9 July 1910, p. 12.

⁵⁹⁰ Supreme Court, *Sydney Morning Herald*, 7 August 1891, p. 7.

⁵⁹¹ Supreme Court, *Sydney Morning Herald*, 8 March 1894, p. 3, 7 June 1894, p. 3.

D.S.', offered half-price treatment at his 'Dental Clinic' in George Street: 'CONSULTATIONS FREE. No Misfits. No Bad Work. A Trained Nurse in attendance for Ladies'.⁵⁹² At the end of 1899, he commenced regular visits to the suburbs.⁵⁹³ Advertisements were published a suburban newspapers:

Important Public Announcement
DENTISTRY, DENTISTRY, DENTISTRY
J. Bealby-Smith, D.D.S.
Of 127 PHILLIP-STREET, SYDNEY
Notifies the inhabitants of Windsor and surrounding district that
he intends making professional visits to WINDSOR every
SATURDAY....
SPECIAL NOTE – MR BEALBY-SMITH has, after many years of
study on this subject, discovered an entirely new process by which
teeth can be extracted absolutely free of pain, as many as 12 and
16 at one sitting. Hundreds of testimonials have been offered Mr
Smith by patients whom he has successfully treated.
Mr BEALBY-SMITH'S Dental Rooms at Sydney rank among the
finest in the City, and are replete with every modern and up-to-
date requirements. A staff of four Dentists is kept constantly
employed.⁵⁹⁴

Describing himself as 'From London and America', he assured 'ALL NERVOUS PEOPLE' that he could painlessly extract teeth.⁵⁹⁵

In 1909, an action was brought in the Supreme Court 'by Marjorie Clark, aged 11 years (by William Thomas Clark, her next friend), against John Bealby Smith, John Lionel Smith, Seddon Belfield Smith, and Amy Gertrude Smith, trading as "J. Bealby Smith and Son," to recover compensation', £250, for injury. 'She said that the defendants acted so negligently and unskillfully that a certain band worked into one of her gums, whereby she suffered great pain, and incurred expense for medical and surgical attention and comforts. Three of her front teeth had also to be drawn afterwards'. Another dentist who saw the patient six months after Smith's treatment considered that a metal band, not a rubber band, should have been used. Marjorie Clark gave evidence that 'she suffered pain for six months, and had to remain away from school for six weeks right away'.

⁵⁹² Advertisement, *Australian Town and Country Journal*, 5 May 1894, p. 52, 26 May 1894, p. 52.

⁵⁹³ For example, *Hawkesbury Advocate*, 13 October 1899, p. 2.

⁵⁹⁴ For example, advertisement, *Windsor and Richmond Gazette*, 9 December 1899, p. 13.

⁵⁹⁵ Advertisement, *Hawkesbury Advocate*, 10 November 1899, p. 3.

After her three front teeth were removed, 'she felt something working out of her upper gum, and she found that it was the rubber band, which had become embedded'. Smith had not told her to remove it at night. When Smith saw the state of the gum, three months later, he declined to meet the doctor's bill, but offered to fix the mouth, which Marjorie's father declined. Smith stated that he had been a dentist for 20 years; if true, that meant he commenced almost immediately after leaving New Zealand: what training had he had, and where? 'He had adopted the same system of treatment scores of times on similar teeth, and no harm could possibly have happened if the plaintiff had carried out his instructions to wear the band only during the night'. He claimed that when he saw Marjorie three months after first treating her, he 'found her gum in a perfectly healthy state, and the teeth sound and firm in the mouth'. When he father wanted him to pay the doctor's costs but did not know the amount and blamed him for the problem, 'under those circumstances' he refused to pay.⁵⁹⁶

In his defence, the president of the Dental Board gave evidence that using a rubber band was the correct procedure for straightening teeth, 'but instructions should be given to the patient to remove the band during the day'. He did not believe it was possible that a band placed in the mouth at 4 o'clock in the afternoon 'could disappear from view by 10 o'clock the following morning, and in a week it would not be out of sight. In a month it would be perished and destroyed'. Another dentist 'did not see how the band could possibly remain in the gum for six months' and another 'gave similar evidence'. Amy Gertrude Smith, daughter of 'Dr Smith', as he now called himself, said she had been a dentist 'for 18 months or two years. In July last, when her father treated plaintiff for her teeth, he told her to wear the rubber band only during the night'. The judge instructed the jury to determine whether Smith had instructed the patient to wear the band only at night; the jury decided he had not, and awarded damages of £150.⁵⁹⁷ Unable or unwilling to pay, in March 1911 the firm was sued and went bankrupt.⁵⁹⁸ Despite this development, which suggested his dentistry was

⁵⁹⁶ Supreme Court, *Sydney Morning Herald*, 4 December 1909, p. 8.

⁵⁹⁷ Supreme Court, *Sydney Morning Herald*, 7 December 1909, p. 5.

⁵⁹⁸ Bankruptcy Court, *Sydney Morning Herald*, 9 March 1911, p. 6, 18 March 1911, p. 10, 23 March 1911, p. 8, 4 April 1911, p. 7, 20 June 1911, p. 5, 21 June 1911, p. 7, 28 June 1911, p. 23, 25 July 1911, p. 7, 26 July 1911, p. 13, 6 November 1914, p. 5.

not very profitable, Smith was recorded on his death certificate as still being a dentist.⁵⁹⁹

After living in Sydney for 21 years, his wife died at the age of 53 in a Hospital for the Insane in October 1910 after having suffered from 'Chronic Melancholia' for over three years.⁶⁰⁰ Smith then lived in Stamford Hill, London, for a while, from where in 1920 he applied for an American patent for 'new and useful improvements in Strainers for Teapots'.⁶⁰¹ He lived until the age of 85, dying in Sydney in June 1942.⁶⁰²

DID SMITH SALT THE SANDS?

The *Waikato Times* lamented, in late November 1887, that 'a gross, impudent, and diabolical swindle' had been perpetrated. Whilst it was not its task to discover 'the criminal', it wanted the government to redeem Waikato's reputation by finding the author of 'this outrageous fraud'.⁶⁰³ In April the following year, a Te Aroha correspondent reported 'several strange rumours' were spread, including that 'one has confessed who was in the secret, also that filings have been discovered, but pending information of a reliable character I do not care to report the rumours'.⁶⁰⁴ These were never reported, and nobody ever confessed publicly, but Smith was suspected of placing filings in the sacks to increase the amount of money he would receive from selling land and shares. These suspicions were and remained unprovable, but the fact that he sold only about 200 of his 7,000 shares⁶⁰⁵ might suggest he was not involved, especially when compared with the prompt sales made by the 'knowing ones' during the first month's crushing at Waiorongomai.⁶⁰⁶ 'Knowing ones' would be expected to grab a quick profit

⁵⁹⁹ Death Certificate of John Smith, 11 June 1942, 1942/9497, New South Wales BDM.

⁶⁰⁰ Death Certificate of Caroline Smith, 1 October 1910, 1910/15255, New South Wales BDM.

⁶⁰¹ United States Patent Application US 1384926A, applied for on 18 May 1920, Google.

⁶⁰² Death Certificate of John Smith, 11 June 1942, 1942/9497, New South Wales, BDM.

⁶⁰³ Editorial, *Waikato Times*, 29 November 1887, p. 2.

⁶⁰⁴ *Te Aroha News*, 2 May 1888, p.4, citing Te Aroha Correspondent, *Auckland Star*, 28 April 1888.

⁶⁰⁵ *Te Aroha News*, 15 October 1887, p. 2, 7 January 1888, Supplement, p. 4.

⁶⁰⁶ See *Observer*, 6 October 1883, p. 14, 24 November 1883, p. 8, 1 December 1883, p. 14, 8 December 1883, p. 2, 15 December 1883, p. 16; *Freeman's Journal*, editorial, 30 November 1883, p. 9, 21 December 1883, p. 10.

before their fraud was discovered. Smith did make exaggerated claims about his discovery, for example that the bullion was similar to that of Mount Morgan,⁶⁰⁷ but this was typical of prospectors who imagined that their finds were worth far more than later testing proved. He had not charged an exorbitant price for selling half his farm: £14,000, plus 7,000 fully paid up shares.⁶⁰⁸ It cannot be assumed that Smith went to Christchurch to raise capital because he feared that Auckland investors and Hauraki miners might be suspicious of such an unusual find, as the state of the Auckland sharemarket was such that no mining companies were floated during that year.⁶⁰⁹ However, he told a Te Aroha correspondent that no circular had been produced to attract investors,⁶¹⁰ when he must have known was incorrect.

That Smith was reluctant to have a large-scale test made of his ground⁶¹¹ might indicate he had something to hide. It was proved that the bags in which samples were sent had been salted with filings,⁶¹² which suggests Smith (or an employee?) was responsible. Yet when Pond re-checked Smith's first sample he confirmed it comprised water-worn gold from a Waiorongomai reef and was 'immensely' different from the later, salted, ones.⁶¹³ This could indicate that Smith's first discovery was genuine, and that he, or someone unknown, later salted the sacks to heighten expectations and create a greater potential profit. Yet the first test was sufficiently impressive to attract widespread attention without any need to 'gild the sands'.⁶¹⁴

Despite Smith being 'almost directly charged with salting', Sindon's 'faith in his honesty' was 'still intact'.⁶¹⁵ Willis denied the charge, as he had known Smith for well over a decade and 'a more honourable man never stepped'.⁶¹⁶ Because of their close association over several years, Chudleigh

⁶⁰⁷ Te Aroha Correspondent, *New Zealand Herald*, 6 October 1887, p. 5.

⁶⁰⁸ *Te Aroha News*, 15 October 1887, p. 2.

⁶⁰⁹ *New Zealand Gazette*, 1887.

⁶¹⁰ Te Aroha Correspondent, *New Zealand Herald*, 5 October 1887, p. 5.

⁶¹¹ *Press*, 13 October 1888, p. 6.

⁶¹² *New Zealand Herald*, 14 October 1887, p. 5, 20 October 1887, p. 5, 24 October 1887, p. 5.

⁶¹³ *New Zealand Herald*, 24 October 1887, p. 5.

⁶¹⁴ For Pond's first test, see *New Zealand Herald*, 21 October 1887, p. 5.

⁶¹⁵ *Waikato Times*, 22 October 1887, p. 2.

⁶¹⁶ *New Zealand Herald*, 14 October 1887, p. 5.

was unwilling to believe Smith guilty. They had first met in April 1879, when they lunched together,⁶¹⁷ and when he revisited his property in May the following year he found Smith ‘just going to dinner. Two fowls formed the meal so I helped him with one. We walked about the ploughed land all the afternoon’.⁶¹⁸ Smith carted Chudleigh’s fence posts from the river landing.⁶¹⁹ In October, Chudleigh arranged for Samuel Seddon, Smith’s future brother-in-law, to become his farm manager; Seddon’s father was ‘an early friend’ of J.B.A. Acland.⁶²⁰ In May 1881, when he arrived at the Seddons’ Hamilton home, he ‘found I have to do best man for my neighbour Smith who is to marry Caroline Seddon’. When Smith’s house burnt down on his wedding night, Chudleigh returned from work to find ‘the burnt out people in my house’.⁶²¹ When the final testing of the deposit took place in February 1888, he recorded opinion being ‘much divided about who salted the gold. The detective says it was J.B. and his man. I cannot think it’. When Fraser told him that he thought Smith ‘salted all the samples sent to the assayers and the mills’, Chudleigh recorded no comment in his diary,⁶²² presumably still unwilling to accept this accusation.

In contrast, Parr had no doubts, as his son recorded after describing his father’s enthusiastic prospecting:

We were soon disillusioned. It came out that there were grave suspicions of the “bona fides” of the discovery of our neighbour in his sandy cliff. An analysis was made, and to everybody’s disgust it was found that the speculative farmer had filed some gold sovereigns into the sand, and there was really no gold at all!... Our spirits drooped terribly. It was a bitter disappointment. The prospect of a great fortune and a grand world tour was gone. Of course there was much laughter as well as severe criticism about this incident. The naughty farmer managed to get out of it without going to gaol. He suddenly left for Australia.⁶²³

What Christchurch investors thought about Smith’s guilt is not known, although presumably it was the company which in early 1888 sent a

⁶¹⁷ Chudleigh, p. 279.

⁶¹⁸ Chudleigh, p. 286.

⁶¹⁹ Chudleigh, p. 289.

⁶²⁰ Chudleigh, pp. 290-291.

⁶²¹ Chudleigh, pp. 296-297.

⁶²² Chudleigh, p. 360.

⁶²³ Parr, pp. 13-14.

detective to investigate.⁶²⁴ Cox, who wrote a brief memoir in 1915, simply referred to becoming ‘interested in goldmining’ in the 1880s. ‘Of this I might have much to tell which would sound like Munchausen tales’,⁶²⁵ which is not helpful.

Smith was unable to prove his innocence: but how could he? ‘Mercutio’ asked two pertinent questions: ‘To whose advantage was it?’ and ‘Were any of those people pressed for money?’⁶²⁶ Clearly it was to Smith’s advantage, but there is no evidence of his being in serious financial trouble, although his land in both islands was mortgaged,⁶²⁷ which may indicate a shortage of ready cash and provide a motive. One must question why the fraudster chose a method of salting the sacks that could be so easily exposed: a sign of an amateur? Smith of course was an amateur, and if he was responsible how could he have expected to get away with the fraud? As his farm was not in an area likely to contain gold, doubts were natural, and suspicions were easily proved to be valid. That only his sands had any real value meant he was immediately suspected, for sacks containing samples from neighbouring farms did not contain filings. Could an enemy have sought to discredit him? There were no indications of enemies who would use such an elaborate method of ruining his reputation. Smith’s departure from New Zealand, never to return, implied either guilt or the realisation that he could not prove his innocence.

‘Mercutio’ noted in December 1887 that ‘Mr Smith simply says with Macbeth to Banquo’s ghost, “Thou can’st not say I did it; shake not thy gory locks at me!” What the company will answer to that, I don’t know’.⁶²⁸ The shareholders sympathized with Smith and expressed ‘themselves perfectly satisfied with his *bona fides*’,⁶²⁹ but ‘Mercutio’ had him at the top of his list of suspects:

When Mr Smith was in Auckland a few days ago, he was approached cordially by a gentleman whom he suspected of being a mere newspaper emissary on the hunt, and he cried out, “You mustn’t attempt to interview me. I’m for none of that game.” It may be thought that it does not look well to be solicitous of

⁶²⁴ See Chudleigh, p. 360.

⁶²⁵ Cox, p. 34.

⁶²⁶ ‘Mercutio’, ‘Local Gossip’, *New Zealand Herald*, 29 October 1887, Supplement, p. 1.

⁶²⁷ *Press*, 13 October 1888, p. 6.

⁶²⁸ ‘Mercutio’, ‘Local Gossip’, *Auckland Weekly News*, 17 December 1887, p. 7.

⁶²⁹ *Auckland Star*, n.d., reprinted in *Te Aroha News*, 7 January 1888, Supplement, p. 4.

avoiding a newspaper man, but on the whole I think Mr Smith showed a wise discretion.⁶³⁰

There was no evidence of the company's promoters being involved in any fraud nor any reports of suspicious share trading. However, in late December 1887 an Ohinemuri correspondent was informed

on good authority that a few days ago, a bag that had been sent from the South with others to be filled with Waitoa dust was burned and in the ashes was discovered a sample of the far-famed "salt." I give this for what it is worth, not having seen it myself, although I was solemnly assured by an eyewitness of its truth. Would this not throw a little light on this vexed question?⁶³¹

That there were suspicions about Christchurch investors was indicated by 'Puff's effusion in the *Thames Star* in late October:

Bad news from up North! They say the Waitoa goldfield's a swindle! The stuff that crushed out 4 ounces to the ton had all been salted! The gold was only filings off a sovereign! Oh that won't do! Those Christchurch fellows who went up are not to be had in that way! They invested £14,000 in it, anyhow! Perhaps they're in the swim! Sh-sh-sh – dear boy, don't say such a thing! They're men of honor and wouldn't swindle anybody for the world! Well, how do you account for the later analysis? Pond and Montgomery can't find a speck of natural gold in any of the specimens! It's all filings! I fancy there's a fraud going on! Fellows who want to beat down scrip and buy in have salted some barren specimens and had 'em analysed! Lor, what holy rascals! I'd like to have as good a bank as some of these mining speculators would break into!⁶³²

'Puff's accusations were never proven, and his suggestion that barren sands were salted to enable those 'in the know' to buy scrip at low prices was fanciful: if the field was unpayable, a speculator obtaining scrip would have had to sell it at inflated prices within a very short time. Such speculators might expect to benefit from salting, but that no accusations were made against any Christchurch person indicates that no suspicious transactions were detected. The bags that were salted were taken from the

⁶³⁰ 'Mercutio', 'Local Gossip', *Auckland Weekly News*, 17 December 1887, p. 7.

⁶³¹ Ohinemuri Correspondent, *Waikato Times*, 31 December 1887, p. 2.

⁶³² Letter from 'Puff', *Thames Star*, 25 October 1887, p. 2.

farms of Smith and his neighbours,⁶³³ not sent from Christchurch. Caroline Smith made some bags for Chudleigh;⁶³⁴ as these were not salted, she cannot be shown to have had any involvement.

CONCLUSION

This case study of a fraud is another example of how men with pretensions to be mining experts were, for a while, fooled into making exaggerated claims for the gold-producing potential of vast areas of farmland. These claims in a time of economic depression and widespread unemployment were seized upon by those hoping to earn money through mining or investment and ‘puffed’ by newspapers desiring the advancement of their region. Naturally the person who made the find was the prime suspect for its being fraudulent, but many believed his claims of innocence; certainly the incompetence of the salting meant this was not likely to have been done by an experienced miner, which might indicate that Smith, a farmer, was responsible.

The fraud created financial difficulties, and even possible financial ruin,⁶³⁵ for some investors; it also provided entertainment for North Island residents who, not having been able to buy shares, had been saved from loss. Immediately after the salting had been revealed, the editor of the *Waikato News*, a former clergyman, after consulting the Bible produced a series of texts, which he described as ‘the Goldfield Manufacturers’ Manual, or How They Did It In Olden Times’:

1. The Way to Begin. - “And Abimelech sowed it with salt.” – Judges ix, 45.
2. Waitoa Described. - “The Valley of Salt.” - 2 Samuel viii, 13.
- Assaying the Deposit for a Good Result.- “And he said, Bring me a new cruse, and put salt therein.” - 2 Kings, ii, 20.
- The Way to Keep up the Excitement. - “And that which they have need of ... salt ... let it be given them day by day without fail.” – Ezra, vii, 9.
- The Proper Quantity to Use. - “Unto an hundred talents of silver salt without prescribing how much.” – Ezra vii, 22.
- Even the parsons are to join in the fun. - “And the priests shall cast salt upon it.” – Ezekiel xiii, 24.

⁶³³ *Waikato Times*, 19 November 1887, p. 3; *New Zealand Herald*, 20 October 1887, p. 5.

⁶³⁴ Chudleigh, p. 355.

⁶³⁵ *New Zealand Herald*, 27 October 1887, p. 5.

Waitoa described after the craze is over. – “Even as Sodom, breeding of nettles, and saltpits, and a perpetual desolation.” – Zephaniah ii, 9.

What the men who pocketed the dollars said.- “Salted with salt: Salt is good.”- Mark ix, 49, 50.

Advice to green hands. - “Have salt in yourselves.” – *ibid*.

What Those Too Late in the Field Said.- “The salt hath lost its savour.” – Matthew v., 13.

The Disastrous Finish. – “Wherewith shall it be salted? It is thenceforth good for nothing, but to be cast out, and to be trodden under foot of men.” – Matthew v., 13.

What Professor Hutton and “The Buster” said. – “Thou wast not salted at all!” – Ezekiel xvi, 4. ⁶³⁶

On 22 October, an Auckland columnist made fun of the arguments about whether Auckland’s ‘Old Honesty Association’ was attempting to cheat Christchurch people out of their goldfield by claiming it had been salted. He claimed Christchurch speculators believed that Auckland’s golden rule was – ‘*Do others as you expect them also to do you*’:

The conflicting statements of professors, analysts, and experts have their humorous aspect for the disinterested observer, who may be supposed to warble as follows on the subject:-

Says Smith to his friends-
 “Here’s a story that lends
 An enchantment that fairly astounds;
 I’ve a valley of gold
 Full of riches untold;
 You may have it for ten thousand pounds!”

Says Analyst Pond-
 “Foolish fancies and fond!
 That is nothing but mica you see.
 And my eyes are at fault
 If there isn’t some *salt*:-
 Gold! Humph! Tweedle-dum! Tweedle-dee!”

Says Professor Hutton-
 “I don’t care a button;
 I’ve got *buttons* of gold from the stuff,
 And you cannot *stuff* me-

⁶³⁶ *Waikato News*, n.d., reprinted in *New Zealand Herald*, 24 October 1887, p. 5, and *Auckland Star*, 24 October 1887, p. 5.

Tweedle-dum! Tweedle-dee!
I'm Professor, and ain't that enough?"

Says Pond- "My dear Hutton,
Return to your mutton:
I know what I'm talking about;
A Government Analyst
Surely can scan a list;
My report will convince you you're out!"

Says Fraser to Pond-
"This subject I've conned,
And my tests have been honestly made;
There is something beyond
So you needn't des-Pond,
Or of final success be afraid!"

Says Pond unto Fraser-
"Take care what you say, sir;
The stuff was not doctored by me,
And attempts all would fail
To put *salt* on my tail,
So the joker idea won't gee!"

Says Old Honest Ass-
ociation - "Alas!
I'm a donkey. I fear for my pains;
I deserve now to suffer
For calling a duffer
Those richly auriferous plains!

"A Government grant
For a big crushing plant
Must be got, and that speedily too;
For it's proved beyond doubt
That to fetch our gold out
The *wet blanket* treatment won't do!"⁶³⁷

In the last known jest about Waitoa, early in 1888 an Auckland man won first prize in a newspaper competition for the best conundrum with the following: 'Why is the Waitoa stuff like the present *commercial crisis*? - Answer: Because it abounds in *filings*, and the materials dealt with are generally *refractory*, and not *solvent*'.⁶³⁸

⁶³⁷ 'Zamiel', 'Random Shots', *Auckland Star*, 22 October 1887, Supplement, p. 2.

⁶³⁸ *Observer*, 6 July 1889, p. 17.

Appendix

Figure 1: ‘Sketch of Locality’, c. October 1887, Mines Department, MD 1, 87/1150, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

Figure 2: Plan of Waiheke No. 2 Block, showing mine workings and proposed township, c. October 1887, Mines Department, MD 1, 87/1150, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

Figure 3: Enlargement of mine workings, Mines Department, MD 1, 87/1150, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

Figure 4: ‘Photographing the Filings’ (engraving of a microphotograph), *New Zealand Herald*, 27 October 1887, p. 5.

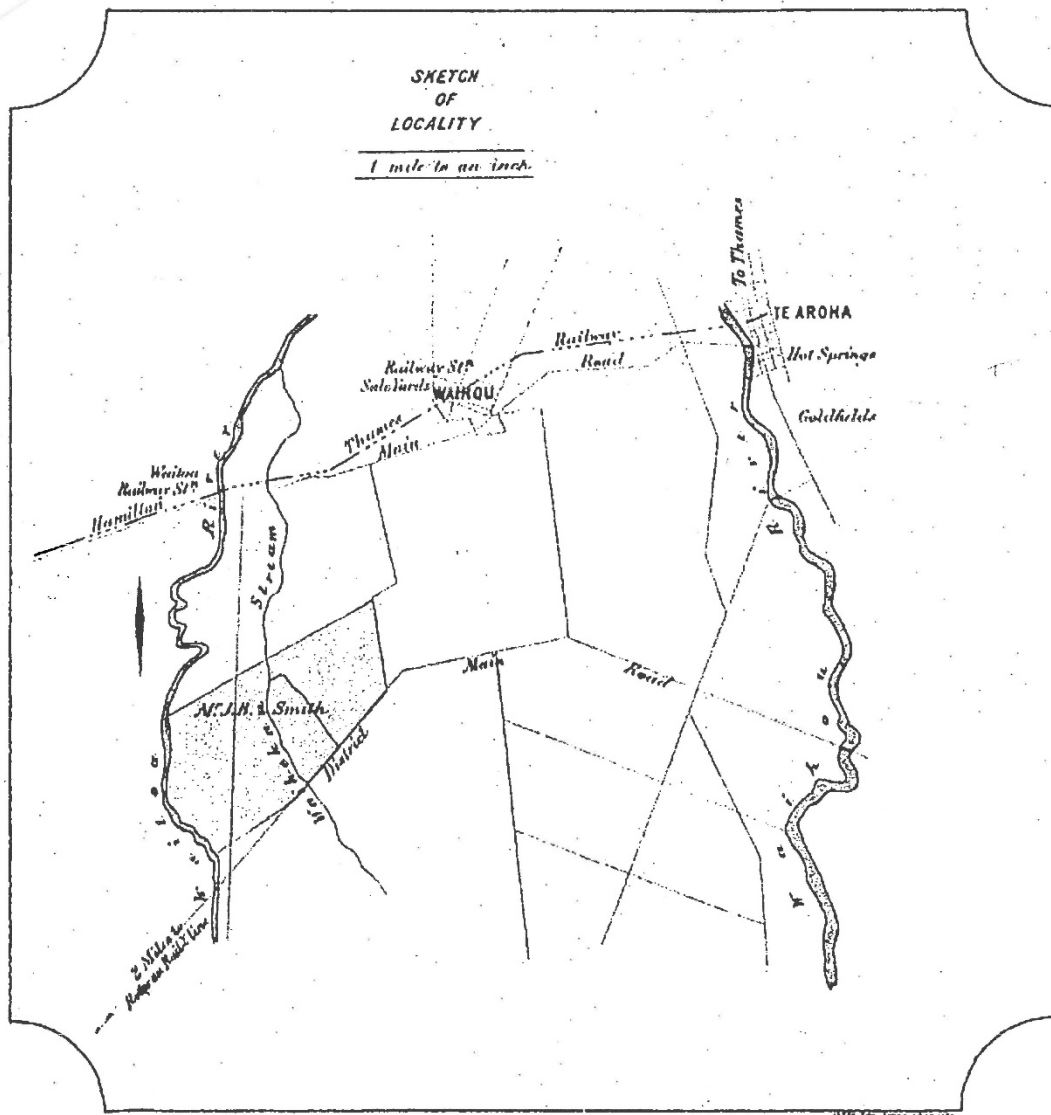


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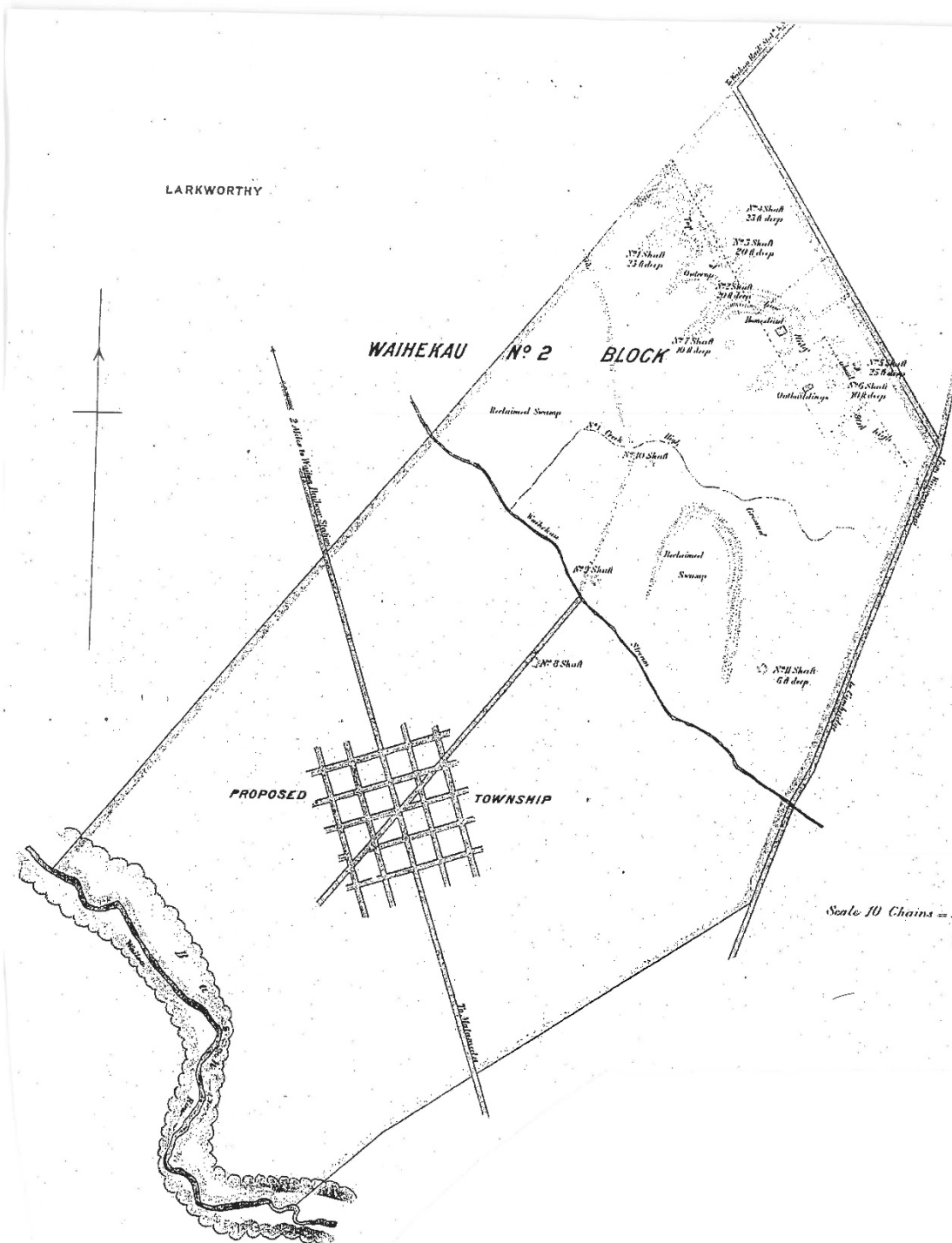


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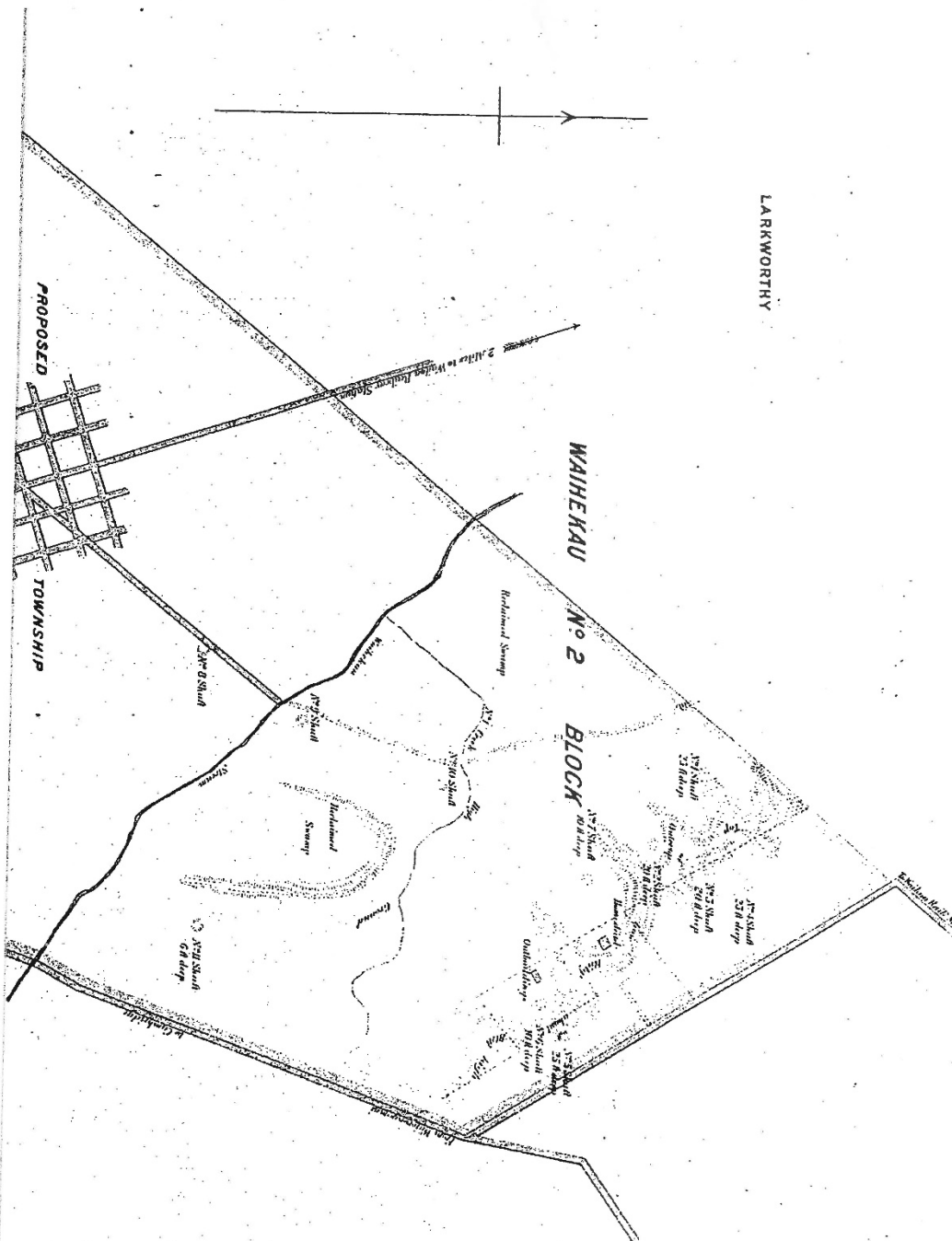


Figure 3: Enlargement of mine workings, Mines Department, MD 1, 87/1150, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

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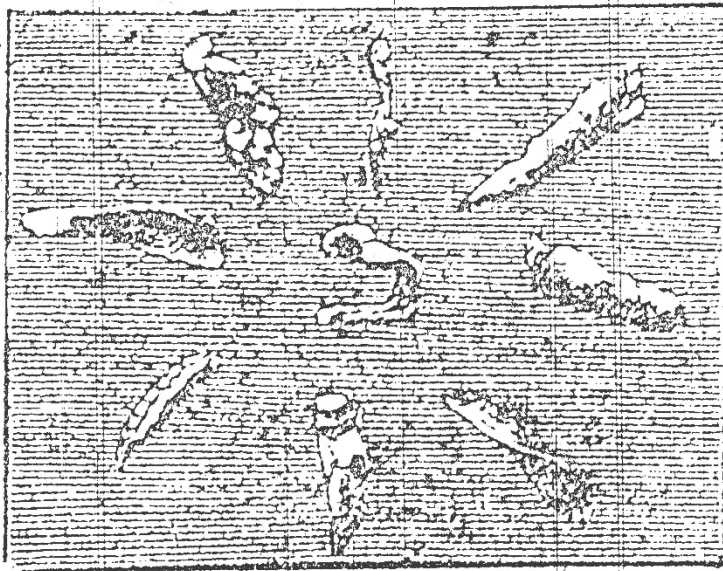
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church to examine the second 1000 acres belonging to Mr. J. B. Smith. Mr. Galbraith was satisfied at once, after examination of the gold particles obtained from the stuff, that they were filings, and we believe that he has thoroughly satisfied Mr. Durward on the subject. To make the whole thing plain to everybody, Mr. Galbraith has had a photograph made of the appearance of the particles of gold under the microscope. Here it is:—



PHOTOGRAPHING THE FILINGS.

The process by which the picture was obtained was as follows: The particles of gold appearing in the photograph were picked out of the matters accompanying them by means of the usual needle point used by microscopists, and these were thereafter arranged in the usual way upon a glass slide, with smoked background. The slide was then fixed upon the stage of the microscope, and the instrument adjusted as for ordinary viewing. The image, instead of being projected upon the eye, was then thrown upon an ordinary sensitive plate in a photographic camera, and the picture taken

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