THE NEW ZEALAND EXPLORATION COMPANY AND AROHA GOLD MINES LTD: THE LAST INTRODUCTION OF OVERSEAS CAPITAL TO WAIORONGOMAI

Philip Hart

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Historical Research Unit
Faculty of Arts & Social Sciences
The University of Waikato
Private Bag 3105
Hamilton, New Zealand

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Contact: prhart1940@gmail.com
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Abstract: The Paris and London Rothschilds became involved in mining investments in the late nineteenth century, in 1886 forming the Exploration Company, which subsequently formed subsidiary companies to develop promising fields. Two men were fundamental to the formation of the New Zealand Exploration Company and Aroha Gold Mines: James de Hirsch and Jules George Wilson, and full details of their lives, in particular in New Zealand, are provided. In 1895, as the mining boom started, de Hirsch, encouraged by Wilson, wanted to develop the Thames low levels but soon abandoned this idea and became interested in Waiorongomai. After an Australian expert, Edward John Dunn, produced an optimistic report, a syndicate was formed that negotiated with the vendors.

Full details are provided of the founders, directors, and shareholders (almost all living outside New Zealand) in both companies and of the New Zealand mining properties they acquired. At Waiorongomai, existing mines were further tested and opened up between 1895 and 1898, but because the anticipated high value ore was not found and also because of the costs, a new low level drive through the entire field was commenced. The battery was also reconstructed and an experimental cyanide plant added.

Because of discouraging results along with the deaths of both Wilson and de Hirsch, the companies abandoned the Waiorongomai field. As so often, government policies and taxes were blamed for this outcome, although wiser commentators noted that the companies were not set up to benefit New Zealand rather than their shareholders. The departure of the companies and their capital set the field back significantly.

INTRODUCTION

In 1895, newspapers reported that ‘the agent of the Rothschilds’ had acquired mining properties at Waiorongomai. The Te Aroha News for that year has not survived, but must have been ecstatic at news of their involvement. In reality, no Rothschild held any shares (at least, not in their own names) in either of the companies involved with Waiorongomai, but their close associates did.

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1 Bay of Plenty Times, 9 August 1895, p. 4, reprinted in Thames Star, 14 August 1895, p. 4.
THE PARIS ROTHSCILDS

The original ‘House of Rothschild rose to prominence as a multinational family firm’, retaining ‘a tight-knit partnership’ throughout the nineteenth century, ‘although the different branches also operated in their own names and experienced varying fortunes. By the 1870s the French division of the firm was apparently the most active and the most important quantitatively’, and continued to be into the twentieth century. ‘When the Paris Rothschilds built an informal group of free-standing multinational companies in the 1880s and 1890s, they were basically striking out in a few direction’. Previously, this branch ‘generally avoided industrial ventures as risky and inappropriate’, its ‘primary and highly profitable focus’ being ‘government loans and public finance’. Being ‘suspicious of industrial commitments’, like many private bankers it had ‘a strong and long-standing interest in international commerce, particularly the trade in precious and non-ferrous metals’. Their strategy ‘was to focus on selected commodity markets which had few buyers and sellers, and where opportunities for profitable manipulation were believed greatest’.2

In the 1870s, the French House ‘began to face serious long-term challenges as a viable enterprise’ and were ‘reluctant investors’ in industry, most of its business consisting of ‘commercial credits backed by first mortgages’. Offers ‘to invest in mining properties around the world’ were declined. Although it had less involvement in precious metals, it had increased, and profitable, involvement in the lead trade.3 The mining industry ‘presented enticing opportunities: mine owners and founders were notoriously short of capital; and their mines and stocks of metal provided potentially good security for both loans and partnership arrangements’. The House’s commercial section ‘had the expertise necessary to finance such stocks and sell them effectively in sophisticated international markets, occasionally in conjunction with successful speculative manoeuvres’.4

In the 1880s, the Rothschilds ‘involved themselves in mining on an unprecedented scale’, the decision of the London and Paris houses to

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4 McKay, ‘House of Rothschild’, pp. 77-78.
develop ‘a mining empire’ being ‘the most important change in their mode of
operation’ since starting financing railways in the 1830s. Like railways,
‘mines offered higher rates of return than state bonds’ and were ‘less liable
to lose their value’. From 1880 onwards, the Paris Rothschilds were
involved with several very profitable mineral and petroleum ventures in
several parts of the world. Their involvement was a logical consequence of
being bullion brokers and gold refiners. They ‘were extremely selective’,
despite their ‘long interest in metals, they nevertheless were extremely
suspicous of all mines and mining promoters’. Their concentration on ‘rare
big ventures’ that ‘grew out of and harmonized with the firm’s considerable
experience in financing and selling selected high-value commodities on
international markets’. They ‘skillfully manoeuvred to make themselves the
exclusive selling agent of large industrial undertakings on a guaranteed
commission basis. More generally, the goal was to realize profits from
several sources, so as to increase the effective return on the underlying risk
capital’. Investment was ‘confined to multinational enterprises which
seemed potentially capable of exercising real market power, the presumed
source of exceptional profits that justified purchase of risky capital shares’. The
Paris Rothschilds ‘were not much interested in the contemporaneous
American model of monopolization through the merger of competing firms
into a single trust or holding company’. The branch ‘normally invested
major sums only in firms in which it had a controlling interest and expected
to retain a long-term commitment’. Not being prepared to be ‘mere passive
investors’, it wanting financial control and close supervision ‘by Rothschild
partners and trusted employees’; ‘zealously guarding their reputation’, they
wanted control ‘to prevent any business disaster’ for which they would be
held responsible. ‘Nominally independent free-standing firms were, in fact,
loosely tied to the House of Rothschild’, with day-to-day operations
delegated

5 Niall Ferguson, The World’s Banker: The history of the House of Rothschild (London,
7 Robert Vicat Turrell with Jean-Jacques van Helten, The Rothschilds, the Exploration
8 McKay, ‘House of Rothschild’, p. 82.
to local managers of the different firms, while a core “staff” of Rothschild employees monitored or performed certain specialized functions at the centre. For each firm these functions included marketing and commercial negotiations, financial policy, technological policy, and continuous evaluation of operating company managers. More generally, Rothschild partners and employees exercised a decisive voice in each firm’s major decisions and long-term strategic planning.10

For instance, when Rand Mines in South Africa was floated in 1893, 27,000 of its 400,000 shares ‘went to the Rothschilds, divided between the London and Paris firms’. Mining engineers involved ‘by way of Rothschilds’ also received shares.11

THE EXPLORATION COMPANY

In 1896, an Auckland newspaper explained that the Exploration Company ‘might not inaccurately be described as a mining branch of the great Rothschild firm. Its shares have never been offered to the public, and it has not yet touched anything that has not proved a distinct success. It is, in fact, a thoroughly Rothschildian affair’.12 The pioneer exploration company, it was established as a guaranteed company in 1886 by N.M. Rothschild and Sons and other merchant bankers, having ‘20 exclusive members and a £20,000 exploring fund in lieu of capital’.13 At that time, ‘banks seldom directly provided finance for the purchase of mining shares and mining companies registered outside Britain found it extremely difficult to raise loans in the City’ of London.14 At first, the Exploration Company did not promote companies, from 1886 to 1889 working as ‘an exploring fund’, assessing mining possibilities and recommending investments to its members, who then formed syndicates. After being ‘reconstructed as a joint-stock venture with £300,000 in capital’ in October 1889, it ‘entered the share syndicate arena in its own right’ and commenced company promotion.15 Its floating of mining companies in London for ‘a fee

10 McKay, ‘House of Rothschild’, p. 84.
13 Turrell with van Helten, pp. 182, 183.
14 Turrell with van Helten, p. 183.
15 Turrell with van Helten, pp. 184, 194.
of 20 per cent on nominal capital’ was ‘a way for respectable City firms to conduct what was widely seen as a highly speculative kind of business, without directly risking their good names’. By 1896, when its capital was £1,250,000 and its market value was £2,240,000, a merchant banker described it as the ‘strongest institution of its kind in the world’.

For the founders, who were entitled to half the surplus after 10 per cent had been distributed and who retained control of the company by dint of their inflated voting rights, it was an immensely profitable investment. Altogether between 1889 and 1903 it issued shares with a nominal value of £20.7 million for twenty-three companies.¹⁶

Sometimes shares were not publicly issued, companies in which it held an interest relying on its reputation to raise capital.¹⁷

In its prime ‘a great deal of its financial strength was derived from the involvement of N.M. Rothschild and Sons’. From 1886 to 1914, its major shareholders were the three Rothschild brothers, particularly Nathan, Lord Rothschild;¹⁸ in 1890 they held 30 per cent of the stock. ‘As the shares became more popular and widely held, their stake gradually declined’, but they continued to play an important role.¹⁹ The original members made ‘substantial profits’ through their founders’ shares:

Founders were entitled to half the surplus after ten per cent had been distributed, and they had as many votes as all the other shareholders put together. In this manner the exclusive 20 members of the original guaranteed company not only took a disproportionate share of the profit, but also kept the plums of the business of mineral exploration for themselves. Such a system was justified on the grounds that some shareholders introduced a special system of business or provided key business contacts.... Yet there was little doubt that founders’ shares were thoroughly iniquitous, entitling men who put in a minute portion of capital to a greater share of the profit produced by the capital of other men. In 1895 there was a reaction against the system on the London Stock Exchange and the Exploration Co. was forced to abolish

¹⁶ Ferguson, p. 877.
¹⁷ Turrell with van Helten, p. 194, citing the early example of the Anaconda Mining Company.
¹⁹ Turrell with van Helten, pp. 184-185.
founders’ shares, although the founders were recompensed with half the company’s capital at par.20

‘Shareholders were offered participation “on the ground floor” ’ in its promotions. ‘The profits that then followed in the share market were substantial, as the reputation of the company and its large shareholders was often enough to push shares to high premiums’.21 Sometimes it obtained shares in new companies to distribute as ‘sweeteners’ to men it wished to ‘oblige’.22 Shareholders always reaped the benefit of ‘the promoters’ participation and hype in the market. In the case of influential merchant banks like the Rothschilds, the mere association of their names with a new issue was enough to bull the price of shares’:

The case of the Marievale and Nigel Gold Mines Estates, capital £300,000 and situated on the Rand, illustrated what happened in numerous other promotions. In July 1895, before the company was issued, N. M. Rothschild and Sons and their French cousins bought 50,000 £1 shares on joint account for £2 each. They bought these shares which provided £100,000 working capital from L. Hirsch, the leading South African mining sharebroker, and immediately sold them back to him for £2 10s. They had the call of 50,000 more and by August, when the company was officially floated, shares were £4 and the Rothschilds made a handsome profit. While ensuring a successful promotion, this was one of the indirect ways in which major shareholders benefited from the company’s mining intelligence.23

The company’s profitability relied ‘on a steady turnover of business. Its fee averaged around 20 per cent of the nominal capital and included costs, commission and underwriting’. During the 1890s, profit on company promotions formed over two-thirds of its gross annual return. Between 1886 and 1904 it made 23 major issues (including railways and tramways), both public and private, and none failed. The company with the lowest nominal capital had £100,000; the Central London Railway Company had the largest, £2,800,000. Only two New Zealand companies were floated, both in

20 Turrell with van Helten, p. 185.
21 Turrell with van Helten, p. 191.
22 Turrell with van Helten, p. 194.
23 Turrell with van Helten, p. 192.
1896: Consolidated Goldfields of New Zealand, with £255,000, and the New Zealand Exploration Company, with £125,200.24

Many leading London bankers held long-term interests: 11 of the original 20 subscribers to the 1889 joint-stock company were bankers.25 In the late 1880s, a leading London merchant bank, Antony Gibbs and Sons, speculated in minerals.26 In 1894 it became involved with the company because its banking and commercial interests in Australia (through its Melbourne subsidiary, Gibbs, Bright and Company), made it the ideal manager for the Exploration Company’s newly formed regional subsidiary, the West Australian and General Association.27 By 1898 this was ‘merged’ in the Exploration Company.28 This Australian company, like the New Zealand Exploration Company, would not be as profitable as the South African ones.29

Well aware of the speculative nature of mining, ‘the Rothschilds combined with other financiers to minimise risks, employed expert engineers and promoted joint-stock companies as intermediaries to “pick the eyes” out of the new high profit sector of overseas mining’.30 Every time an option was offered or a mine discovered, one of its staff of mining experts was sent to assess it.31 ‘Gold mines were the Exploration Company’s first love’ because of the dramatic expansion of gold production in South Africa, where its first extensive involvement in mining involved floating several companies on the Rand in the late 1880s and the 1890s.32 Deep level mining required ‘unprecedented’ amounts of capital, which it provided along with much of the technical expertise.

Through the company’s unrivalled mineral intelligence it predicted gold booms in the Transvaal and Western Australia. In 1894, in preparation, it promoted two regional exploration companies: the Transvaal and General Association ... and the

24 Turrell with van Helten, p. 193.

25 Turrell with van Helten, p. 185.

26 Turrell with van Helten, pp. 183-184.

27 Turrell with van Helten, pp. 188, 190.

28 British Australasian, 1 December 1898, p. 2115.

29 Ferguson, p. 878; for details of the West Australian and General Association, see Company Files, BT 31/6779/47698, The National Archives, Kew, London.

30 Turrell with van Helten, p. 199.

31 Turrell with van Helten, p. 186.

32 Ferguson, pp. 877-878; Turrell with van Helten, pp. 187-188.
West Australian and General Association…. Both companies were largely subscribed by Exploration Co. shareholders and they shared their parent’s directors.33

In October 1895, shareholders were informed that the reconstructed Exploration Company had a capital of

£300,000 fully paid, and with increased facilities they had been able to transact a large amount of profitable business. Beyond the profits on the working of the company’s own capital, they might reckon on considerable sums accruing from the interest and management charges in connection with the affiliated companies – the Transvaal and General, and the Western Australian and General Associations.34

‘The Rothschilds’ support of the Exploration Company (the only African asset in which they took a creative entrepreneurial role) represented a very modest part of their £7m capital’.35 Like other merchant bankers, normally Rothschilds ‘did not involve themselves in the management’ of the enterprises they invested in.36 In this case, they were kept well informed about how these were performing.37 For instance, they sent a geologist to report on mines on the West Coast of the South Island of New Zealand and had the ore tested before agreeing to help finance Consolidated Goldfields of New Zealand; Lord Rothschild personally discussed these mines with the vendor, David Ziman.38 Partly as a result of their meeting, the Exploration Company provided £150,000 of its £250,000 capital, and Rothschilds nominated two directors.39

The unprecedented scale of the 1895 mining boom made clear that its resources ‘were inadequate to take full advantage of the enormous demand’

33 Turrell with van Helten, p. 188.
34 British Australasian, 10 October 1895, p. 1593.
37 For instance, David Ziman to N.M. Rothschild and Sons, 26 August 1896, David Ziman Letterbook March-October 1896, p. 365, Consolidated Goldfields of New Zealand Papers, 76-083-15/01, Alexander Turnbull Library.
39 Hill, pp. 125, 128.
for shares, and that European capital ‘was required to exploit the boom’. In 1895 the company promoted two mining finance companies in Paris and Berlin; the latter had little if any relevance to New Zealand mining. The Exploration Company ‘kept a substantial shareholding in each and appointed directors’. The Parisian one was the ‘privately subscribed’ Compagnie Francaise des Mines d’Or et d’Exploration, commonly known as CORFRADOR, with a capital of £500,000. Its major shareholders were the Rothschilds, Baron James de Hirsch, Comte Isaac de Camondo, the Societe Generale, and the Banque Internationale de Paris. This holding company ‘financed many mines’ in South Africa in the 1890s.

The Societe Generale had been formed in 1864 by men ‘linked to Rothschilds through various railway ventures, and the new bank often acted in concert with the Rothschilds’, for instance in financing Italian railways. Originally known as Societe Generale pour favoriser le developpement du commerce et de l’industrie en France, it is still in existence and is proud of being one of the oldest French banks.

The French Rothschilds ‘generally deferred to the expertise of the London partners’ about goldmining. ‘Typically, it was through the London-based Exploration Company’ that the French House became shareholders in CORFRADOR. By 1895 the Exploration Company was ‘the most respected mining agency in London’, its direct investments totalling £375,466 and its ‘cash in hand’ being ‘over £500,000’. ‘Its activities extended from Africa to the Antipodes and from the United States to Asia and Latin America. It was the most important of the new breed of intermediaries for introducing mines to the London market’. Between 1889 and 1895 it paid ‘a total of 265 per cent in dividends on its small £30,000 issued capital’, and its shares ‘stood at three to four times their nominal value’ throughout the 1890s, pushed up by the profits produced by its subsidiary companies. In 1897, 1898, and 1899 it paid a dividend of 12.5 per cent.

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40 Turrell with van Helten, p. 188.
41 Turrell with van Helten, p. 189.
43 Ferguson, pp. 609, 615, 647.
44 For details, see ‘Societe Generale’, Wikipedia.
45 Ferguson, p. 879.
46 Turrell with van Helten, p. 189.
47 Turrell with van Helten, p. 191.
48 Turrell with van Helten, p. 196.
As Ziman’s April 1896 letter to its managing director, Joseph Harry Lukach, made clear, the company made a hard bargain with vendors. ‘I am very thankful to you for the confidence which you have placed in my ability to make the Company a success, by your returning to me my guarantee. Since you have had £80,000 worth of my securities with the guarantee against any loss of the £47,000 which you have invested’ in Consolidated Goldfields, ‘I shall be pleased if you will offer me a share of the profits’. Clearly Ziman had had difficulties with the flotation, for in another letter he told Lukach that he had ‘now forgiven all the annoyance which I had in your office. I hope you will keep a few shares so that you may get some day fancy prices for them’.

JAMES DE HIRSCH

Baron James de Hirsch was described as a ‘brother of the more famous Baron Maurice’. Born in Bavaria, Maurice originally was Moritz von Hirsch. Despite legal restrictions on Jews, his grandfather, Jacob, became a wealthy Court Banker in Bavaria, was granted patents of hereditary nobility in 1818, and the family was raised to a Barony in 1869. Maurice’s

50 David Ziman to J.H. Lukach, 15 April 1896 (private), David Ziman Letterbook March-October 1896, p. 67, Consolidated Goldfields of New Zealand Papers, 76-083-15/01, Alexander Turnbull Library.
51 For photograph taken in Thames, along with his dogs, see Cyclopedia of New Zealand, vol. 7, p. 28.
52 Turrell with van Helten, p. 189.
53 Peter Hertner, The Balkan Railways, International Capital and Banking from the End of the Nineteenth Century until the Outbreak of the First World War, in Finance and Modernization: A transnational and transcontinental perspective for the nineteenth and twentieth centuries, ed. Gerald D. Feldman, Peter Hertner, Monika Pohle Fraser, and Iaian L. Fraser (Farnham, 2008), p. 127.
father, Joseph, was banker to three Bavarian kings, was involved in railway construction, and ‘played an active part in the rise of industry in Bavaria’.\(^{55}\) Born in Munich in 1831, one of nine children and the eldest surviving son, when aged 13 Maurice was sent to Brussels ‘for further schooling’. At the end of his teenage years, ‘he was apprenticed to the internationally known banking house of Bischoffsheim & Goldschmidt in Brussels, which also had branches in London and Paris’.\(^{56}\) Bischoffsheim ‘was one of the most important banking families in nineteenth-century Europe’, and his association with it led to his being a successful investment banker.\(^{57}\) A ‘financial infant prodigy’, Maurice began ‘to interest himself in railway enterprises and subsequently in speculations in copper and sugar’. He ‘always had at his disposal the necessary means to carry through his schemes’, especially after his marriage in 1855 to Clara Bischoffsheim, the daughter of the senior partner.\(^{58}\) Maurice’s mother was a relation of the junior partner.\(^{59}\) Both partners ‘were always pleased to allow him to use’ their banking house ‘for his transactions, and at times they also left the management in his hands, but, a little afraid of his all too great spirit of enterprise and daring – others less favourably inclined occasionally thought him reckless – they did not take him into partnership’.\(^{60}\) From ‘about 1862’ he ran his own firm, Bischoffsheim & de Hirsch, in Brussels. The parent firm was active in railway flotations in France, Italy and the United States, and less successfully in loans to small Latin American states and Swedish mining ventures, so it was to railways that young Hirsch was drawn. Most of his initial capital appears to have been derived from his wife’s dowry (£0.8m. in 1885) and is supposed to have reached about a million pounds fourteen years later when he commenced his connection with the Turkish railway (Vienna-Istanbul) project. The concession for the 1,000km Orientbahn was originally awarded to a syndicate, but when the others got cold feet Hirsch boldly decided to go on alone. The construction was estimated at a cost of £8,000 per km

\(^{55}\) Hertner, p. 127; Adler-Rudel, p. 34; Grunwald, *Turkenhirsch*, pp. 5-7.


\(^{57}\) Hertner, p. 127.

\(^{58}\) Emden, *Money Powers*, p. 320; Adler-Rudel, p. 35.

\(^{59}\) Grunwald, *Turkenhirsch*, p. 11.

(including all buildings) but Hirsch managed to keep average costs down to half that, and further increased his profit margin by selling the shares at a premium, so that his fortune is supposed to have reached £10m. in 1878. This colossal profit — far outstripping anything realized by Rothschilds or Barings — was multiplied by successful speculation in international securities, notably Italian Rentes and "Unified" Egyptian bonds, so that at his death in 1896 he was supposed to be worth between £20m. and £25m., a fortune that made even Rothschilds’ capital look modest.61

His ‘private banking house’ became ‘one of the founders of Banque de Paris et des Pays-Bas’. From 1871 onwards, he lived mainly in Paris.62 His ‘business acumen’ combined with his speculative ventures meant he was ‘both admired and vilified’.63 One reason for vilification would have been the Belgian commercial crisis of 1866, when he took ‘the fullest advantage of others’ misfortunes’. He ended his life ‘in the front rank of the world’s plutocrats’.64

Maurice was ‘equally noted for his enormous wealth and his colossal charities, to which he devoted, besides other moneys, his winnings on the turf’. His widow was believed to be ‘the richest widow in the world, her income being £1500 per day’.65 She received £8 million from his estate, which included £5 million ‘of property devoted to the improvement of the Jews’.66 After the death of his only son in 1887, Maurice had retired from business and devoted himself to ‘great humanitarian causes’.67 He assisted Jews suffering oppression and poverty in many countries, especially Russia, by promoting emigration.68 In 1891 he established the Jewish Colonization Association to help Jews to leave Russia for Argentina or indeed anywhere that would take them.69 This ‘most generous of financiers’ gave it £11

61 Chapman, p. 95.
62 Hertner, p. 127.
64 New Zealand Graphic, 4 July 1896, p 4.
65 Evening Post, 4 April 1899, p. 5.
69 Ferguson, p. 800.
million, ‘making it the greatest charitable trust in the world’. All his winnings from horseracing went to London hospitals.\(^{70}\)

Great as he had become, he had not been able to get rid of many human weaknesses, one of the strongest of which was his enormous, almost morbid, ambition to shine in society, which detracted from his inner worth and at times made him look petty and comical. In accordance with his circumstances he lived on a princely scale, had vast estates in Moravia and Hungary, often leased country houses in England and entertained in great style at Newmarket and at Bath House. The Prince of Wales (Edward VII), attracted by the Baron’s enthusiasm for the Turf, his philanthropic ardour and his wide knowledge of men and things, was frequently his guest, especially in Hungary, and Hirsch’s satisfaction at being allowed to have the heir to the British throne staying with him consoled him for the many snubs from strait-laced circles to which he quite unnecessarily again and again exposed himself.\(^{71}\)

In the 1890s Maurice was ‘an entertaining and useful friend of the Prince of Wales’ and his ‘unofficial financial adviser and confidant’\(^{72}\). On his sudden death in April 1896, ‘Jewish and other papers all over the world eulogized the great humanitarian and faithful son of his people. Millions of Jews mourned the man who had become a legend in his life-time and whose portrait was to be seen on the walls of many humble Jewish cottages in Eastern Europe’.\(^{73}\)

In comparison, James de Hirsch\(^{74}\) led an unpublicized life. His reason for leaving Europe for the Antipodes is not known. On 21 August 1863, when he enlisted in the Second Waikato Regiment, he was a clerk in Sydney. When transferring on 18 February 1864 to the Third Waikato Regiment, he was recording as being a gentleman aged 21 and having been


\(^{73}\) Adler-Rudel, p. 67.

\(^{74}\) Sometimes recorded as De Hirsch; for consistency, given as de Hirsch throughout.
born in Munich. He was discharged, by providing a substitute, on 13 April.75
As a footnote to his service in the militia, when a committee was formed in
Thames in 1868 to raise money for Ferdinand von Tempsky’s family, he was
its honorary secretary.76

After serving in the militia, he settled in Auckland, where on 3
December 1864, aged 22, he married ‘by special license’ Margaret Murray
Stanley, née Dalgleish, aged 26, a widow who had been born in Glasgow. He
was a merchant living in Fort Street, and despite his being Jewish they
were married in St Matthew’s Anglican Church.77 Their son, Joseph
Theodore, was born embarrassingly soon, on 14 June the following year, but
died after 36 hours.78 In 1891, a New Zealand newspaper stated that James
Theodore de Hirsch, known as Baron Theodore and aged ‘about’ 23, was
‘living with one of his uncles’.79 This age would have meant he was born in
or about 1868; as no birth certificate or birth notice has been traced, it is
likely that this report, which muddled de Hirsch with his nephew and
incorrectly stated that de Hirsch had died ‘a few years after’ his wife, was
wrong and that there were no other children. Although mainly based in
Thames after that goldfield opened, in mid-January 1870 de Hirsch wanted
to rent a ‘country residence, within three or four miles from Auckland’;80
was his wife still living in Auckland? One month later, his ‘beloved wife’
died, aged 37 according to her death notice (there was no death
certificate).81

75 Entries for James De Hirsch and James Ole Hirche, nos. 137, 1542, in Jenni Palmer,
Nominal and Descriptive Rolls of 1st, 2nd, 3rd and 4th Waikato Regiments (CD-Rom,
2008).
76 Wellington Independent, 26 September 1868, p. 5.
77 Notices of Intentions to Marry 1864, Births Deaths and Marriages, BDM 20/9, folio 97,
no. 2038, ANZ-W; Marriage Certificate of Margaret Stanley [groom’s name not recorded],
3 December 1864, 1864/3116, BDM; Marriage Notice, Daily Southern Cross, 5 December
1864, p. 4.
78 Birth Certificate of James Theodore De Hirsch, 14 June 1865, 1865/2058; Death
Certificate of James Theodore Hirsch, 15 June 1865, 1865/996; BDM; Death Notice of
79 Poverty Bay Herald, 18 June 1891, p. 4.
81 Death Notice, Daily Southern Cross, p. 19 February 1870, p. 3.
In Auckland, de Hirsch went into partnership with Robert Burra as Burra and De Hirsch, merchants and commission agents.\textsuperscript{82} When he died in 1910, Burra was recalled as ‘an old and respected resident of the Thames, having for many years carried on business as a bookseller’. His sudden death was caused by a heart attack, as he had anticipated.

The distinguishing feature of the passing of Robert Burra – the precaution which he had taken of carrying about an identification card, like a soldier, in order that there would be no doubt as to his identity in case he should be, as actually happened, stricken down by the heart seizure to which he was liable – was characteristic of the man. Mr Burra was methodical in all that he did. From an early stage in the history of the Thames, his was one of the most familiar figures in the town. After carrying on a partnership in a business in the lower part of Wyndham-street in the early days of Auckland, he moved to the Thames in the seventies,

where he owned two stationery shops. ‘A quiet, self-contained man, who always minded his own business, and let that of other people alone’.\textsuperscript{83} He was a shareholder of a Puriri mining company in November 1869,\textsuperscript{84} and in 1871 applied to lease five acres at Waiotahi, but withdrew his application in July.\textsuperscript{85} His only known involvement with Te Aroha was to provide slates for the school.\textsuperscript{86} He left an estate worth £575 4s 11d.\textsuperscript{87}

In April 1865 de Hirsch was surety for two Auckland men applying to be customhouse agents.\textsuperscript{88} In July 1866 he purchased a township lot at Mercer for £13.\textsuperscript{89} The following month, he was one of the Aucklanders arranging steamer transport on the Waikato River.\textsuperscript{90} He struggled to make a living, and in November 1865 judgment was given against Burra and de


\textsuperscript{83} \textit{Observer}, 25 June 1910, p. 5.

\textsuperscript{84} Advertisement, \textit{Daily Southern Cross}, 10 November 1869, p. 6.

\textsuperscript{85} \textit{Daily Southern Cross}, 10 July 1871, p. 2.

\textsuperscript{86} \textit{Te Aroha News}, 8 March 1884, p. 2.

\textsuperscript{87} Probate of Robert Burra, Probates, BBAE 1569/7649; Testamentary Register 1908-1911, folio 146, BBCB 4208/7, ANZ-A.

\textsuperscript{88} Hastedt and Leers to Collector, Customs, Auckland, 11 April 1865, Customs Department, BBAO 5544/1a, 1865/212, ANZ-A.

\textsuperscript{89} Advertisement, \textit{Daily Southern Cross}, 24 July 1866, p. 6.

\textsuperscript{90} Advertisement, \textit{Daily Southern Cross}, 2 August 1866, p. 1.
Hirsch for not paying their rates. All claims against their joint estate were required to be made by the end of January 1866. Four months later, when sued for £6 15s, de Hirsch gave details of his finances:

I sold my watch before the deed of assignment, and redeemed it afterwards. I sold it to Mr Hicks for £5. It was a gold watch and chain. It was in December last when I sold it. Mr Hicks gave me £5, and told me I might redeem it, but there was a document made out which made it a sale. I won’t swear whether Mr Hicks could have sold the watch next day. There was a verbal agreement that I might redeem the watch if I liked it. On redeeming it, I was to pay 1s per pound per week – more than 250 per cent. He was entitled to sell it after three weeks. I left no other article with Mr Hicks. My wife left some things which belonged to herself. There were two watches. The watch left by my wife was left some weeks before mine. I think £2 was got upon my wife’s gold watch and chain. There was no silver plate left with Mr Hicks. I have no articles of furniture now that I had before my assignment, except a bedstead. I had no money at the date of the assignment.

Replying to a question, he stated that he had ‘given £1,400 of my private funds to my creditors. The trustees have given me a personal covenant to release me from all claims’. James Smart, one of the trustees of Burra and de Hirsch, gave evidence that ‘upon the execution of that deed’, de Hirsch ‘gave up all his furniture and effects, and money he has since received from Germany. He has not kept back anything to my knowledge, nor shown any disposition to do so. We have had £1,400 from him of money received from Germany. It was his own private money’, not ‘the money referred to in the power of attorney’.

We did not know we were to get the money, which he was not legally bound to give to the property. Mr de Hirsch has behaved very well to the creditors. We got the money a few days ago. It was a present from Mr de Hirsch’s father.

Mr de Hirsch, recalled, deposed: The £1,400 was not money I was entitled to. It was a present from my father. The trustees have engaged to repay it out of moneys which they will receive under a power of attorney.

Thomas Hicks deposed: Mr de Hirsch and his wife pledged two gold watches and some other articles some time since. I lent

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91 Police Court, *Daily Southern Cross*, 28 November 1865, p. 5.
money on them, and Mrs de Hirsch released them.... I could have sold the articles when the time mentioned in the agreement was up. I might have got 10s a week for those watches.

After a lawyer argued that de Hirsch ‘might have handed over the watches to the creditors’, judgment was deferred, but the final decision was ‘that a nonsuit must be recorded’. 

His furniture and effects were sold in February 1867. In May, he was an agent for the clipper service between Auckland and Tauranga. Like other Aucklanders, his finances were restored by the opening of the Thames goldfield; but not immediately, for in April 1868 all his estate was assigned to his creditors.

Dr Hirsch was a prominent member of the small German community. In January 1865, as the honorary secretary, pro tem, of the provisional committee of the Auckland German Association, he called the meeting that established this body, of which he remained secretary. In March, ‘J. von Hirsch’ was a steward of the ‘inaugural fete’, called ‘Germania’. In 1871 his ‘Princess of Prussia’ was defeated in a trotting race in Thames.

He had a store at Kauaeranga, soon to renamed Shortland, part of the future Thames township, at the very beginning of the gold rush. At the end of August 1867, he attended a meeting of diggers and storekeepers held ‘to ascertain what assistance would be required’ to sink three shafts. After the chairman spoke, ‘Mr De Hirsch wished to ask if the names of the men who had attempted to fill up the shaft that morning would be placed upon the list of those to be appointed to continue the work? He thought that if their names were so placed objection would be made to them’. The meeting elected him as secretary of a joint diggers’ and shopkeepers’ committee. Early the following month, prospectors ‘disposed of’ samples of supposed

93 Magistrate’s Court, *Daily Southern Cross*, 22 May 1866, p. 4, 8 June 1866, p. 5.
94 Advertisement, *Daily Southern Cross*, 6 February 1867, p. 3.
99 *Daily Southern Cross*, 14 December 1871, p. 3.
100 Special Correspondent, *New Zealand Herald*, 29 August 1867, p. 3.
alluvial gold to him, which he forwarded to Auckland.101 Later that month a
man was fined for stealing one of his picks.102 In mid-October it was
reported that his ‘substantial and well-filled store’ was close to the landing
place at Kauaeranga.103 In 1889, he was recalled as having ‘kept a small
calico store, where he sold tea, sugar, flour, pickles, jam, and probably
whisky’.104 If he had sold whiskey, it would have been illegally, as he was
not licensed to do so. Burra and de Hirsch had ‘transferred their energies’ to
Thames, the firm’s business being carried on ‘by Dr Groote and Mr
Wilson’,105 The former has not been traced; the latter was Jules George
Wilson.106

Early in January 1868 he published his first advertisement as an
auctioneer and agent:

CRITERION AUCTION MART

JAMES DE HIRSCH & CO;

MINING and SHARE BROKERS, Land, Shipping and General
Commission Agents,
POLLEN-STREET, SHORTLAND.

Several first-rate Shares, comprising interests in Tookey’s,
Barry’s, Williamson’s, and other good Claims. Also several first-
class Allotments on lease.107

By that year this was his main occupation;108 later that year his
advertisement had dropped the ‘and Company’:

James De Hirsch
Mining, Land, and
General Commission Agent,
Pollen Street,
(Opposite the Bank of Australasia).109

101 Daily Southern Cross, 11 September 1867, p. 3.
102 Shortland Police Court, New Zealand Herald, 26 September 1867, p. 4.
103 Daily Southern Cross, 18 October 1867, p. 3.
104 Observer, 31 August 1889, p. 17.
105 Poverty Bay Herald, 18 June 1891, p. 4.
106 See below.
108 Bank of New Zealand, Shortland Branch, Individual Accounts Ledgers, 1868, folio 91,
1868-1869, folio 136, Bank of New Zealand Archives, Wellington.
As examples of his work as an agent, in July 1868 he negotiated to purchase a share in Hunt’s Claim for a client for £20,000, and two months later his office held plans of allotments at the township of Puriri.\textsuperscript{110}

He first took out miners’ rights at the end of October 1867.\textsuperscript{111} He sought a half-share in the Fear Nought in May 1868, using the argument that it was illegally occupied, but failed.\textsuperscript{112} In April 1869, he had four of the 192 £1,000 shares in the Golden Crown Company.\textsuperscript{113} In August, with Wilson he owned 100 of the 224,000 shares in the Shotover No. 1 Company, and in the following month was granted 16 acres of the Waikeikie Block at Otunui.\textsuperscript{114} In November, both he and Burra had 275 of the 6,300 shares in the Bonne Esperance Company, of Puriri.\textsuperscript{115} In February 1870, he acquired 50 of the 8,000 shares in the Tararu Battery Gold Mining Company.\textsuperscript{116} In May, he was required to pay £10, calls owed to the North Island Company.\textsuperscript{117}

In April 1871, he bought the Sedan claim for £470.\textsuperscript{118} Four months later, a meeting of the Waitemata Company accepted his terms for amalgamating with it, whereby he received 2,100 new shares and paid £200 in cash, being one-third of the value of the company’s machine.\textsuperscript{119} In June, he had 800 of the 5,000 shares in the Brighton Goldmining and Quartz Crushing Company.\textsuperscript{120} He chaired the meeting of shareholders in the Harbour View claim at Tokatea, Coromandel, that agreed to form a company, and was allotted 262 of its 4,800 shares.\textsuperscript{121} In August he was an

\textsuperscript{110} Daily Southern Cross, 23 July 1868, p. 3, advertisement, 14 September 1868, p. 2.
\textsuperscript{111} Thames Warden’s Court, Register of Miners’ Rights 1867-1868, folio 85, no. 1563, folio 87, no. 1577, BACL 14358/1a, ANZ-A.
\textsuperscript{112} Thames Correspondent, New Zealand Herald, 8 May 1868, p. 3.
\textsuperscript{113} Advertisement, Daily Southern Cross, 5 April 1869, p. 1.
\textsuperscript{114} Advertisement, Daily Southern Cross, 13 August 1869, p. 3; advertisement, New Zealand Herald, 28 September 1869, p. 7.
\textsuperscript{115} Advertisement, Daily Southern Cross, 10 November 1869, p. 6.
\textsuperscript{116} Advertisement, Daily Southern Cross, 11 February 1870, p. 2.
\textsuperscript{117} Magistrate’s Court, Daily Southern Cross, 6 May 1870, p. 4.
\textsuperscript{118} Daily Southern Cross, 7 April 1871, p. 3.
\textsuperscript{119} Daily Southern Cross, 17 August 1871, p. 2.
\textsuperscript{120} Advertisement, Daily Southern Cross, 2 June 1871, p. 4.
\textsuperscript{121} Daily Southern Cross, advertisement, 30 June 1871, p. 4, 5 July 1871, p. 2.
initial shareholder of the Victoria Company, also at Tokatea, with 500 of its 5,000 shares.\textsuperscript{122}

At the end of November, he attended a meeting of Auckland shareholders in the Nonpareil Company, called because of a rumour that it was to amalgamate with the Waitemata Company. An earlier meeting had been boycotted by the directors. It was alleged that some directors ‘had of late been very large purchasers of shares’ and that with their proxies ‘they would have had it in their power to completely swamp the remainder of the shareholders’. These directors ‘had bought in at a very low rate in the Waitemata, in order to sell at a very high rate to the Nonpareil’. When no other directors spoke, de Hirsch defended them, ‘and said the chairman had made remarks which could not be borne out’. He stated ‘there was no foundation in the report of the proposed amalgamation with the Waitemata’, and that the meeting ‘was altogether out of place. Why not have asked the directors to have called an extraordinary meeting? He believed no vote of censure was due to the directors’. Asked if he was a director of the Waitemata, he ‘replied that he was. He appeared there as a proprietor of Nonpareil scrip’. The meeting unanimously opposed any amalgamation of the two companies.\textsuperscript{123} In December he was elected chairman of directors of the City of Dunedin Company.\textsuperscript{124}

He was recalled as being ‘a large shareholder in Hunt’s and the Caledonian mines, and sold out with a large fortune before the collapse took place’.\textsuperscript{125} In 1868, when travelling between Auckland and Thames, he asked an original shareholder in Hunt’s Claim whether he would sell his interest for £20,000; when this and another offer of £25,000 was rejected, £30,000 was agreed to, and the sale did not proceed.\textsuperscript{126} It was believed that he ‘spent little short of £20,000 upon various enterprises’.\textsuperscript{127}

By 1870 he held an interest in the Monte Christo Quartz Smelting Company, which in the previous year had erected a furnace ‘near Auckland’ to test Thames ores before re-erecting it there.\textsuperscript{128} In June 1871, he was

\textsuperscript{122} Advertisement, \textit{New Zealand Herald}, 19 August 1871, p. 4.
\textsuperscript{123} \textit{Daily Southern Cross}, 1 November 1871, p. 6.
\textsuperscript{124} \textit{Daily Southern Cross}, 25 December 1871, p. 3.
\textsuperscript{125} \textit{Observer}, 31 August 1889, p. 17.
\textsuperscript{126} \textit{Evening Post}, 12 August 1868, p. 2.
\textsuperscript{127} \textit{Poverty Bay Herald}, 18 June 1891, p. 4.
\textsuperscript{128} \textit{New Zealand Herald}, 30 April 1869, p. 5, 14 June 1869, p. 5, 22 November 1869, p. 5, 2 December 1869, p. 5, District Court, 15 March 1870, p. 6.
erecting a large plant, at a cost of £6,000, for quartz-crushing and treating tailings, and hopes to put through 1,500 tons of tailings per month. The arrangements for treating quartz and tailings are very extensive, and comprise some of the best patents extant'. It was recalled as being erected at the foot of Moanataiari Creek; a mistake for Waiotahi Creek? It was opposite the Caledonian battery. In July 1871, he purchased 100 tons of tailings from the Caledonian for 2s a ton. The following March, he received two cases of chemicals from Melbourne, and sent 20 tons to England, being convinced that, ‘notwithstanding the improved methods’ he had introduced to Thames, ‘more perfect extraction can be made on the continent of Europe, the result of scientific research and experiment’.

In mid-April, he wrote to the Superintendent:

During the past three years I have been engaged in trying various experiments to extract any Gold that may be contained in Quartz tailings after they have been treated by the various machines now at work at the Thames. I have spent large sums of money in trying these experiments, also in erecting machinery and bringing out scientific labor from Europe. Up to the present time I have not been as successful as I anticipated to be. I am however still determined to continue making these experiments, and for this purpose I am now shipping a quantity of tailings by the Barque Tea Moi and the ship “Cedenceus” to London to be forward from there to Germany where I intend to have certain machinery tried.

The Gold contained in these tailings is only very trifling, but the Collector of Customs insists upon my depositing with him a sum of £22.10/- to cover the duty on any Gold that may be contained in these tailings.

I would beg to draw your attention to the fact that this is hardly encouraging to anybody desiring to increase the prospect of the Thames Goldfield, by adding to its yield of Gold and introducing a new industry.

129 Daily Southern Cross, 15 June 1871, p. 4.
130 Thames Goldfields: A history from pre-proclamation times to 1927: Diamond Jubilee souvenir, ed. F.W. Weston (Thames, 1927), p. 71.
131 Auckland Star, 26 August 1889, p. 2.
132 Daily Southern Cross, 28 July 1871, p. 2.
133 Auckland Star, 19 March 1872, p. 2.
134 Daily Southern Cross, 1 April 1872, p. 2.
He requested the duty be waived. The 20 tons of tailings averaged 4dwt of gold, and the Superintendent recommended waiving the duty. He sent this ‘experimental parcel’ because he was ‘convinced – notwithstanding the improved methods of treatment he has himself introduced to the Thames – that more perfect extraction can be made on the Continent of Europe, the result of scientific research and experiment’. His chlorination process, which cost him ‘a large fortune’, was supervised by ‘a German expert’; it was unsuccessful because, when attempting to melt the ore in his furnace, ‘the quartz and fluxes got somehow all fused up together’. At Thames, de Hirsch was always attended by a ‘big and handsome’ dog, presumably the one with him in the photograph published in the *Cyclopedia of New Zealand*. He participated in a trotting match in December 1871, when his ‘Princess of Prussia’ was beaten. Although the horse’s name reflected his German birth, he had given up his formal allegiance to his homeland. In April 1869, he was a member of the Thames Reception Committee to Queen Victoria’s son, the Duke of Edinburgh, and in September he was naturalized. One man recalled him as ‘a dashing, devil-may-care sort of a fellow’.

**LAND DISPUTES**

In 1869, de Hirsch described himself both as having ‘no particular profession’ and as ‘a share broker and land speculator’. Acquiring land involved him in considerable controversy. He was sued, unsuccessfully, in

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135 James de Hirsch to Superintendent, Auckland Province, 17 April 1872, Customs Department, BBAO 5544/1a, 1872/214, ANZ-A.
136 Superintendent, per W.M., to Collector of Customs, Auckland, 17 April 1872; Assay Certificate by G. Wolff, 18 April 1872, Customs Department, BBAO 5544/1a, 1872/214, ANZ-A; *Grey River Argus*, 15 April 1872, p. 2.
137 *Grey River Argus*, 15 April 1872, p. 2.
139 *Observer*, 14 March 1891, p. 4; *Cyclopedia of New Zealand*, vol. 7, p. 28.
140 *Daily Southern Cross*, 14 December 1871, p. 3.
141 *Daily Southern Cross*, 24 April 1869, p. 6; *New Zealand Gazette*, 2 September 1869, p. 450.
143 *AJHR*, 1869, F-6A, pp. 8, 15.
September 1868 for rent of £72;\textsuperscript{144} this may have been for an Auckland property. According to his affidavit of July 1869, in December 1868 he was preparing to sink a shaft on allotment 24, Kauaeranga, but instead let the ground to George Macdonald. The latter had parted with his interest for £20, on condition that he would allow the shareholders of the Golden Gate Mine to sink a shaft on the ground, and for this he was to have an interest.\textsuperscript{145} In April 1869, the Golden Crown leader was struck in the Golden View, a claim owned by John Lundon adjoining the Imperial Crown and Golden Gate.\textsuperscript{146} Lundon, then living at Thames, was a once and future member of the Auckland Provincial Council.\textsuperscript{147} Later that month, de Hirsch applied for an injunction in the Supreme Court hearing of John Roberton v. George Macdonald.\textsuperscript{148} His affidavit stated:

1. That on the 30th day of June, 1868, Wiremu Kingi and others, being seized in fee of allotment number 24, Kauaeranga,\textsuperscript{149} Queen’s County, did by deed demise and lease unto me the said allotment for the term of 21 years from the said 30th day of June last.

2. That by deed bearing date the 15th day of August, 1868, and made between and executed by me and the above named defendant of the other part, I demised part of the same land, to wit, lot 26 of the subdivision thereof, to the defendant for the term of ten years from the 3rd day of October, 1867, the material part of which deed is set forth in the declaration herein.

3. That by deed bearing date the 30th day of June, 1868, I assigned all my estate and interest in the said term of 21 years, except the last day thereof, to the plaintiff, the material part of which deed is set forth in the declaration herein.

4. That the defendant and other persons by his permission have in the month of March last past opened a shaft in the land demised to the defendant as aforesaid, for the purpose of mining and carrying on mining operations within and under the said land.

\textsuperscript{144} District Court, \textit{Daily Southern Cross}, 15 September 1868, p. 2.

\textsuperscript{145} Supreme Court, \textit{Daily Southern Cross}, 10 July 1869, p. 6.

\textsuperscript{146} \textit{Daily Southern Cross}, 9 April 1869, p. 3.


\textsuperscript{148} Recorded as McDonald.

\textsuperscript{149} Written here and occasionally elsewhere as ‘Kauwaeranga’. 
5. That I, on behalf of the plaintiff, gave notice to the persons working the shaft, requiring them to desist from committing such wrongful acts, but notwithstanding such notice the defendant and the said persons have sunk the shaft to a depth of fourteen feet, such shaft being six feet long by four feet in breadth, and the sides thereof being partially timbered.

6. That the said defendant and the said persons have carted and taken away from off the land demised to the defendant the soil, gravel, sand, and clay which have been taken out of the shaft, to the great and irreparable injury of the plaintiff.

7. That the said defendant and the said persons have informed me that they intend to sink the said shaft to a depth of eighty or one hundred feet, in hope of striking the reef now being worked in the Golden Crown Claim.

8. That I verily believe that, unless the said persons be restrained by this honourable Court, they will continue to sink the said shaft, and carry on mining operations within and under the said land as aforesaid, and will therefore inflict great and irreparable injury upon the plaintiff.

9. That I believe the defendant will justify his above-mentioned act upon the ground that defendant and the persons working on the said land as aforesaid are the holders of miners' rights for the Thames goldfields, and are therefore entitled to mine for gold on the said land.

The Chief Justice, Sir George Arney, issued a provisional injunction restraining the defendant from sinking a shaft or doing any mining on this land.\textsuperscript{150}

In June, Arney considered a ‘motion of attachment’ by John Roberton against George Macdonald. Roberton’s counsel, Frederick Alexander Whitaker, a solicitor who was also a land and mining speculator,\textsuperscript{151} informed the court that Roberton had shortly before obtained an injunction against Macdonald preventing him sinking a shaft on the Golden Gate claim, situated on Kauaeranga No. 24. This claim had been pegged off on 23 November 1868 by William Frederick Eicke, a shareholder in both claim and the company formed in mid-1869.\textsuperscript{152} In May, when the warden heard an application to lease the ground, de Hirsch, ‘who claimed prior title, and had

\textsuperscript{150}Supreme Court, \textit{Daily Southern Cross}, 22 April 1869, p. 4.

\textsuperscript{151}See \textit{Observer}, 29 October 1881, p. 104; \textit{Thames Advertiser}, 11 June 1887, p. 2; \textit{Waikato Times}, 11 June 1887, p. 2.

mortgaged his interest to Mr Roberton’, obtained an injunction. Roberton had a stable on the ground which Eicke paid him £20 to remove.

The stable, however, still remaining Roberton had obtained the injunction against Macdonald, who really had no right or title to the ground whatever, and therefore the present application was made to have the injunction removed as regarding the real owner Eicke, who held a title by lease from the native owners. When the case was tried, Mr Macdonald did not put in an appearance to defend, because truly he had no title to the property. His Honor looked over the particulars of the case, and said that it seemed that Mr de Hirsch, on behalf of Mr Roberton, had posted up the injunction on the claim, when Eicke told him that he and his partners would set to work in half an hour in defiance of it. From the fact of his using those words he placed himself in the position of a servant of Macdonald, and under any circumstances he had been guilty of gross contempt of Court.

When Roberton’s counsel said that ‘Macdonald was in possession, and an action had been entered against him for allowing Eicke and party to enter on the ground’, Whitaker responded that ‘he did not feel fully prepared to go on with the case, as he had only been retained the day before’. After Arney told him to read the affidavits, he admitted that Eicke ‘might have used the words imputed to him under strong excitement, when the injunction was posted up on the claim’, but was ‘certain he had not used those words contemptuously towards that Court, and he felt sure that he would be only too willing to come forward, and make an ample apology’. Arney ‘said there was no doubt a gross contempt of Court had been committed by Eicke, for he had not only made use of the words stated, but he had actually collected a body of men, and acted on his threat, by at once commencing work’. As Macdonald had ‘kept out of the way, and allowed Eicke to do all the fighting’, Arney would be satisfied by Eicke apologizing to the court.153

In mid-July, the directors of the Golden Gate Company accepted tenders to sink a 50-foot shaft on the disputed land.154

In June, Robert Graham, after whom the Grahamstown portion of Thames was named, petitioned parliament. He explained that, after the Kauaeranga blocks went through the lands court in June 1868, he had obtained leases of portions on 2 July, although the first deed was not

153 Supreme Court, *Daily Southern Cross*, 12 June 1869, p. 5.

154 *Daily Southern Cross*, 17 July 1869, p. 5.
registered until 22 July. Others had also obtained leases before certificates of title had been issued, and some sub-leases had been made. He asked for legislation declaring the order for certificates to be issued and their issuing were to be considered as ‘simultaneous documents’. Francis Dent Fenton, chief judge of the lands court, told the petitions committee that the words ‘issue of certificate’ should mean the date on which the certificate was ‘ordered to be issued’, and that the only remedy, although an ‘unusual’ one, was legislation. The Secretary of Crown Lands, who had drafted the Crown Grants Act of 1867, said that he had expected the order and the certificate to be ‘simultaneous documents’, and that the only remedy was ‘ex post facto Legislation’. The committee resolved, in late July, that because Graham had taken action in the Supreme Court to validate his titles there should be no interference with the judicial process. Whitaker, Eiche, Lundon, and three others opposed retrospective legislation; if any was passed, they wanted compensation. They were referred to the decision on Graham’s petition.\textsuperscript{155}

On 8 July, the \textit{Thames Advertiser} published a letter from de Hirsch under the heading ‘The Waiotahi Lands’, in response to one from Whitaker in an issue now lost:

Sir, - I am not in the habit of rushing into print, or of troubling Mr Editor with letters on my private affairs, but an effusion of so extraordinary a character appeared in your issue of yesterday morning (the 5th instant) under the above heading, that I cannot help replying to certain statements made therein, so as not to allow the writer, who is anxious to uphold the strict letter of the law, to deceive the public at large, as he has tried to mislead some of his clients. Mr Whitaker has taken the trouble to quote a certain passage in the Native Lands Act referring to the illegality of leasing lands from natives before the issues of the certificate of title. Now, sir, I should like to know, not only for my information, but also for others who have entrusted this bright limb of the law with their legal business, that if the words quoted in the Act are so clear that a child would comprehend them, and that his intelligence only brightened up at once when he leased certain lands over again, for which he and his partner, in their position as solicitors, had already drawn out the necessary deeds for their clients, and which documents are now represented by Mr Whitaker and his party to be entirely valueless? I would further like to know whether in my own case, when Mr Whitaker drew

\textsuperscript{155} Petition of Robert Graham, Public Petitions Committee, Legislative Department, LE 1, box 61, 1869/11, ANZ-W; \textit{AJHR}, 1869, F-1, pp. 3-4.
out certain deeds for the lease of lands now under dispute with him – and for which he was duly paid – he or his agents in Auckland, Messrs Whitaker and Russell, who had my deeds in their office fully a week for registration, did take the trouble in inquire into the legality of those deeds? And if afterwards, when Mr F.A. Whitaker thought he found out that my title was illegal, whether he informed me of the circumstance, as was most undoubtedly his duty to do so? When Mr Whitaker has answered these questions, then let him talk of the equity, justice, and honourable means by which he hopes to obtain a title to Waiohori lands. – Yours, &c, JAMES DE HIRSCH (unfortunately once a client of Mr F.A. Whitaker, jun.).

On 21 July, the Legislative Council considered ‘An Act to remove Doubts as to the Validity of certain Proclamations and Agreements relating to a certain District known as the Auckland Goldfields’, known more briefly as the Auckland Gold Fields Proclamation Act. This Act validated all agreements made with Maori landowners at Thames since 1867 and stated that by these the government was authorized to mine. It passed both Houses in three days. On 19 August, at a hearing of a select committee discussing the Native Lands Act, an auctioneer, Daniel Joseph O’Keefe, stated that on 9 September 1868 he had obtained a lease of Kauaeranga No. 23 from James Horne, a miner who had acquired the block from its Maori owners. Subsequently, he discovered that Whitaker and Lundon went to three of the owners, ‘and, by representations, they succeeded in obtaining another lease’ of the same property in March 1869. Their only justification was to claim that he had a doubtful title.

On 31 August, the petitions committee considered one from de Hirsch ‘against the effects of the Gold Fields Proclamation Validation Act’, which it

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156 Letter from James de Hirsch, Thames Advertiser, 8 July 1869, reprinted in Police Court, Daily Southern Cross, 21 April 1870, p. 6.
157 Statutes of New Zealand: Passed in the thirty-second and thirty-third year of the reign of Her Majesty Queen Victoria, and the Fourth Session of the Fourth Parliament of New Zealand (Wellington, 1869), pp. 25-31; Parliamentary Debates of New Zealand, vol. 6 (20 July 1869-3 September 1869), p. 11.
158 Parliamentary Debates of New Zealand, vol. 6 (20 July 1869-3 September 1869), pp. 11-12, 45, 90.
159 See Auckland Star, 28 July 1874, p. 2.
160 ‘Report of the Select Committee on the Native Lands Bill’, AJHR, 1869, F-6, pp. 9-10.
referred to the joint committee on Maori land of both Houses.  

He stated that 'the lands on the flat at Waiotahi, now called Graham’s Town, were not included in the original Proclamation of the gold fields’ but were included by the proclamation of 16 April 1868, ‘issued in order to give the Government the right to construct roads, but the Natives had not conceded the right to mine’. The Maori owners obtained certificate of title to these lands on or about 13 October 1868, ‘without any restriction’. On 30 June 1868, he had leased Kauaeranga No. 24, at Waiotahi, ‘by which the surface rights only were demised’. On 15 February 1869, the mining right on this land ‘was demised to me, the Native owners not having conceded any rights whatever to the Government’. The leases were arranged by Whitaker and his legal partner, John Edwin Macdonald.  

De Hirsch had consulted Whitaker’s father, Frederick, an Auckland solicitor and an ex-Superintendent of the Auckland Province and a former and future Premier, ‘upon the steps I should take to secure the rights which the said leases purport to create, and he advised the course which was subsequently taken’. On 23 April 1869, Whitaker and Lundon obtained a lease from the same owners, ‘demising the surface’. Acting under advice of the three solicitors, he had not ‘taken up the right of mining by miners’ rights’ but by leasing. On 30 June 1869, Whitaker and Lunden ‘invaded the surface right demised’ to him, ‘having, under colour of miners’ rights, taken up the ground included in the said leases to me’. Yet, by a perpetual injunction issued by the Supreme Court, they were ‘restrained from working’ the land. ‘Such injunction was granted against the proprietors of the Golden Gate claim’, including Frederick Whitaker, who had 300 shares. Lundon and the other owners of the Criterion, also working his ground, ‘were restrained by an ad interim injunction’, still in force. His petition concluded by submitting that The Auckland Gold Fields Proclamation Act would ‘prejudice and affect my just rights, and practically inhibits me from taking the advantage and benefit that accrued to me by reason of my said arrangements and leases’.  

When questioned, he stated that on asking Whitaker and Macdonald whether his first lease gave him the right to mine, he was sent to see

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161 Petition of James de Hirsch, Public Petitions Committee, Legislative Department, LE 1, box 61, 1869/11, ANZ-W.  

162 See Mrs. J.E. Macdonald, Thames Reminiscences (Auckland, 1926).  


164 ‘Report of Select Committee on Evidence Adduced before the Native Lands Bill Committee’, AJHR, 1869, F-6A, pp. 16-17.
Frederick Whitaker, who advised him to obtain ‘another lease, purporting to be a mining lease’, for as Maori ‘had never signed any agreement whatsoever with the Government, it would be no use to take it up under miners’ rights’. He was uncertain which agreement gave the right to mine. When informed that the March 1868 agreement gave this right he replied, ‘Yes; but the lessors in my case did not sign the agreement; they did not know what was going on, they were away’. Asked whether, when the first deed was obtained, he knew the land was included within the goldfield, he replied, ‘No. I always understood that the boundary of the Gold Field only extended, at that time, to the base of the hill’. James Mackay, the Civil Commissioner, ‘encouraged me in that belief. He told me, about the time the land was passing through’ the lands court and that ‘the Crown would not interfere with private parties leasing land’ in Grahamstown ‘but reserved the right of making roads for the public’. He did not know of the proclamation of the goldfield boundary on 14 April 1868 ‘till about a fortnight ago, when I found it affected my rights’. He then made ‘a general statement’:

In the first instance, when I leased the block, I leased it for the surface rights only. I asked Mr Mackay if, in doing so, I should interfere in any way with any arrangement the Government had made about these lands. He said, certainly not; the Government only claimed the right of supervision for the construction of roads, and that the people living there should be compelled to take out business licenses and not have the excuse that they were living on Native lands, and generally that they should come under the rules of the Gold Fields. I leased these lands consequently on Mr Mackay giving his sanction that I should do so, and Mr Mackay assisted in negotiating with the Natives for me. Further, I must acknowledge that when I leased the land I never thought of mining on it; but some time after, when the land became a very valuable property, through the Golden Crown having struck a reef which was said to run right through the ground, I then asked my solicitors what to do, whether to take it up under a miner’s right, or whether the first lease I got gave me the right to the land generally and all that was in it. Messrs Whitaker and Macdonald, acting as my solicitors, I believe went to Mr Mackay, and searched the various agreements between the Government and the Natives. They told me that if I was going to Auckland I should consult Mr Frederick Whitaker, as they were not quite sure. Mr Frederick Whitaker distinctly advised me to get the lease on the 15th February, 1869, telling me that it was no use my taking the land up under miners’ rights: that anybody could get a lease from the Natives and then turn me out. I acted on that
advice, and went back to Shortland and instructed Mr Frederick Alexander Whitaker to draw this deed out, which bears his endorsement and signature as an attesting witness. Almost within a fortnight after I obtained this lease, Mr Frederick Alexander Whitaker, one [Frederick William] Eicke, and others, took up this very same land under miners’ rights. Then I went back to Auckland and asked Mr Frederick Whitaker’s advice, and he told me he was very sorry he could not advise me because he was retained on the other side. If I had taken up the ground under miners’ rights I could have held it.

His petition was referred to the Native Lands Bill Committee. When its hearing commenced the following day, Whitaker denied O’Keefe’s charges, claiming that not all the Maori signatures to the lease had been obtained and that the owners ‘complained very much about the non-payment of rent to them, and said that they would be only too glad to get better tenants, provided they would not embroil themselves in litigation’. He did not get all the signatures because he was waiting until a law change gave him permission to deal with Maori land. He was in partnership with Lundon, who ‘was to look after the Natives, as I had not time to do so. He was to see the Natives at different places about the land, and the deeds were prepared in our joint names’. He insisted that the lessees did not have legal title and that he had not acted as solicitor to de Hirsch ‘in any way’.

The second witness was de Hirsch:

I am the lessee from the Native proprietors of Kauaeranga, No. 24, at Graham’s Town. The block of land was passed through the Native Lands Court on the 23rd of June, 1868, and the order for the certificate of title was issued on that day. I then instructed my solicitor, Mr Macdonald, to prepare a lease for me from the Native owners for the said block, which he accordingly did, fully understanding at the time that the order for the certificate of title was the title required under the Native Lands Act to make it good. A few months afterwards, on examining the plans of the Native Lands Court, I found that by an error a portion of the block had been left out of the deed. I then went to my solicitors, Messrs Whitaker and Macdonald – Mr Frederick Alexander

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166 AJHR, 1869, F-6A, pp. 15-16.

167 AJHR, 1869, F-6A, p. 16.

168 AJHR, 1869, F-6A, pp. 6-8.
Whitaker having joined Mr Macdonald in partnership between the 30th June and the 15th February, the date of my second lease. I showed them the plan of the block, and asked them to prepare me a new deed instead of the last deed, including the whole of the block. Mr Whitaker accordingly did so. The deed was drawn up according to instructions. I fully understood at the time that it would give me a proper legal title to the whole block. When the deed was drawn out, the Natives were, on the 15th February, brought to Mr Whitaker's office. Mr Whitaker read out the deed word for word in English, while the Native interpreter interpreted it to the Natives. Mr Whitaker's name appears at the foot of the deed as the attesting witness. I was advised some little time afterwards that a leased numbered 6,970 was registered to Messrs Whitaker and Lundon on the 23rd April, 1869, demising the same property to them. When I heard this I went to see Mr Whitaker, and asked him what he meant by appropriating lands to his own use for which he had drawn out deeds for me. Mr Whitaker then made some excuse which I do not remember, but he generously offered to pay me any outlay which I might have incurred with the Natives. I went to see the Native owners accompanied by a sworn Native interpreter, and asked them what they meant by signing a second deed to Mr Whitaker. They said that Mr Whitaker represented to them that I had treated them very badly, that they did not receive a much rent as they ought to receive, and that he would give them two or three times the amount which I gave.

He produced deeds signed by Wiremu Kingi and others to himself dated 30 June 1868 and 15 February 1869.169

The following day's hearing commenced with Whitaker responding to de Hirsch's 'very grave charge'. He produced the second deed, between Wiremu Kingi, Anaru Poroa, and Teritui Kingi, 'for a small piece of land which was omitted to be included in the original deed'. It denoted the south-east boundary as the Waiotahai Stream, and 'did not call in question' the original deed nor 'in any way affect the title' to No. 24. The dues payable under the Native Lands Act, £2 1s 1d, were paid. Neither Lundon nor himself disputed the title to the small piece of land. He did 'not believe it was originally included in No. 24; but whether it was or not, the piece of land which I dispute is included in the small piece. This has been a subject of controversy in the newspapers', a controversy lost to historians because of the loss of the Thames newspapers for that period.

169 AJHR, 1869, F-6A, pp. 8-9.
I stated that I had no claim to the land, and should be most happy to hand the land over to Mr de Hirsch at once. In reference to the facts connected with the signing of this deed, I am very sorry to have to differ from Mr de Hirsch very materially on that point. About the time that the deed was executed I was engaged in many speculations upon the Thames Gold Fields, and I was not very frequently in our office. I recollect now, my attention having been drawn to it, that, running up one day into my office, Mr de Hirsch and a number of Natives were standing there, and one of the clerks called me and requested me to attest the deed, which I accordingly did. That I read it or assisted in any way in drawing the deed, is absolutely not the fact. I was called in and I attested the deed. Mr de Hirsch came to me afterwards, as he relates.

He then sent an interpreter to search in the Registry Office in Auckland to see what deeds had been drawn up in their office for de Hirsch, ‘for at that time the deed in question had almost escaped my memory’; Macdonald believed it had been drawn up by the chief clerk. The interpreter could only find one deed, ‘for a small portion outside of No. 24’ that ‘was not included in the demise which I proposed to obtain from the Natives’. On questioning Macdonald about de Hirsch’s leases he was told that, as the lease for a small portion of land had been prepared before he came to New Zealand,

I need not consider myself implicated in any way in the transactions with Mr de Hirsch. I then proceeded to get the land. Some time after this a letter appeared in the newspapers, signed by Mr de Hirsch, setting forth the very same facts which he has now set forth in this declaration, in reference to my having had deeds in my possession as the title of land which I afterwards sought to appropriate for myself. This letter was signed by Mr de Hirsch, as “Unfortunately once a client of Mr Whitaker, junior.” All my friends came round me, and I told the same thing which I now tell the Committee; and I put the same story in print in answer to his letter, stating that I never saw Mr de Hirsch’s title-deeds, because since I joined Mr Macdonald they were removed from our office and were drawn by Mr McCaul. I was not aware of the deed, and never saw the others, or could be supposed to know anything about them. I mentioned also that there was some little dispute about that small piece; that I laid no claim to it; and that if it were included he had only to mention it, and I would at once have handed the land over to him.
A letter was also published by one of his clients who ‘found it hard to believe what Mr de Hirsch had said, as I acted in a most honorable way’ over the transfer to him of a valuable piece of land.

Hearing of these things, when permission was given to the shareholders of the Shannon claim, which was near or on this piece of land, I refused to attach my name to any document, because I was perfectly careful not to do so in reference to any deed which had been in our office. I said I could not do it because it was possible that it was within the boundary of the piece of land in question, and I would not compromise myself in the question. Although our names appear on every Native deed, yet that is directed de Hirsch against Lundon. It was to sink upon a piece of land of which I could not tell the position, and therefore I refused to sign any document, which Mr Lundon did. It can be proved by the writ in regard to Kauaeranga, No. 24, that it is de Hirsch against Lundon, and not against Whitaker. I consider the charge a most cruel and unfounded one, considering the stipulations I made with Mr Lundon before I made any agreement with him. Mr Lundon and my father were in the office together, and I said, “I must insist on two things – first, that the rights of my clients are respected, and the land given up to them; and secondly, in reference to the Golden Gate claim, that nothing shall be done to injure the shareholders, because I am solicitor for the Company, and it is my duty to look after their interests.” I made these stipulations which were carried out; and why did not Mr de Hirsch come forward when I stated it in the newspaper at the time he brought his charges, when he would at once have had the land? He took no notice, and I had no further intimation of it until the subject was revived on this affidavit. It was doubtless brought down here because I was in Auckland, and was not expected down to contradict the statement. I wish the Committee to consider that I have given a clear explanation of the real facts of the case, and I hope they will signify the same by some formal motion to that effect. With reference to the representation to the Maoris, that is of a piece with all the rest. One Maori lives at Mercury Bay, another at Poverty Bay, and a third at Coromandel. I never saw them, never held any communication with them, and, as to offering to give more money than Mr de Hirsch, I never did so, and the interpreter, Mr Lundon, will show that one of the Natives was continually following me about, asking me to take the land as no rent had been paid to him. Mr Lundon told me he did not consider the land was worth much, and that he did not want it. Any representations as stated by Mr de Hirsch cannot have been so, inasmuch as I never saw the Natives, and would not know them if I did, besides the fact that it was impossible to leave my business.
When asked by committee members, he confirmed that the land leased to de Hirsch in June 1868 was the same piece leased to him in April 1869, ‘and it remains still vested in me’. He did not discover that this was the same land until after his own deed was completed.\footnote{AJHR, 1869, F-6A, pp. 9–11.}

Lundon’s evidence repeated that the statements by O’Keefe and de Hirsch were untrue. Concerning the latter and his claim to Kauaeranga No. 24, he stated that Whitaker ‘never saw any’ of the owners. He explained when and where these signed the deed, denying that they had signed in a hotel and been given ‘a glass of grog’ by him.

I did not care much for No. 24, as there was no road to it. The Natives begged me to take it, and the others came a long distance to sign the deed. The natives told me that Mr de Hirsch would not take the land, and begged me to take it from them. The Natives kept following me about, one especially, asking me to take the ground, because he could not get any rent from Mr de Hirsch.\footnote{AJHR, 1869, F-6A, pp. 11-12.}

The following day, Whitaker again refuted de Hirsch’s allegations that he had been involved in preparing his second deed. ‘I have never disputed the lease for mining which comes at the end of the second deed. I have never got the mining lease from the Natives for any part of the flat’. He produced a plan confirming his statement about the portion he had obtained. He next referred to de Hirsch’s statement that he might ‘have taken up the right of mining by miners’ rights’ but, having taken the advice of his solicitors and of Whitaker’s father, had obtained a lease.

He is alluding to the advice given at the time he obtained the second deed, at the end of which there is a mining clause. These facts are palpably wrong, because his affidavit implies that the Golden Gate claim was pegged off, and, after he had obtained the lease from the Natives he could have taken it up under a miner’s right. I happen to have been solicitor for the Golden Gate for a long period of time, and I happen to know that the claim was pegged out in December, two months before February, and it was pegged out with my sanction and advice, and I am prepared to swear, before any court of law, that I never gave Mr de Hirsch that advice, because the Golden Gate claim was pegged off, and I was aware of it, as their solicitor.
By February work had started on the Golden Gate, and it was ‘physically impossible’ for him to have pegged it off ‘with any chance of success’. He then cited de Hirsch’s affidavit that he had obtained a ‘perpetual injunction’ to force the cessation of mining on the claim in which Frederick Whitaker held shares.

This is an insinuation which I hope the Committee will consider worthy of the strongest reprobation. It means to imply that Frederick Whitaker of Auckland, holding 300 shares, first advised Mr de Hirsch that it was no good pegging off under miners’ rights, and then took it up and pegged it off. A more scandalous accusation can scarcely be made against any man.

He did not help to peg it off and had none of the original shares, but did buy two quarter-shares ‘many months after’ it was pegged off, giving him 300 scrip shares, which he had recently sold to his father for £300. ‘I would not be justified in saying anything hard before the Committee; but when persons make statements concerning a gentleman of known character like’ his father, which were ‘absolutely false (and which can be seen by a reference to the Registry Office to be false, as the transactions are registered)’, he hoped the committee would ‘take some strong notice of them, as it is most unfair for persons to try to take away the characters of men who bear generally the name of being honest and upright’. It would ‘be only doing justice to an honorable man’s character if they express their indignation at the insinuation’. He ‘did not recollect ever’ seeing de Hirsch in the office, ‘as he was not a regular client of ours’ and he ‘never did anything for him at all’. He believed he was Macdonald’s client, ‘but the deeds were never prepared in our office’. Although de Hirsch stated that he had seen him in his office in February, ‘I do not recollect it; and if he did see me, I am certain that I never gave him any advice’. He would like to question de Hirsch about his sworn statement, which included a misunderstanding of the intent of government proclamations about roads and mining, for after he claimed that these only gave it the right to make roads, he then said he did not know whether the agreement of 9 November 1867 gave it the right to mine under Grahamstown.

It was a matter of public notoriety, and Mr de Hirsch seems to contradict his former statement, that it was only the right to make roads that they had acquired. The “guarded answer” means that he had seen the agreement but he could not positively say,
although it was a matter of public notoriety, that it had often come under his notice that the right to mine had been ceded. He swears that he verily believes that it was only the right to make roads. I can safely state that such a proposition was never broached by a single person, nor was it publicly reported that it was only the right to make roads that the Government acquired by the agreement. It was distinctly understood that it was the right to mine which was ceded by the agreements.

Whitaker then referred to de Hirsch stating that Frederick Whitaker’s told him ‘he was very sorry he could not advise me, because he was retained on the other side’, and that he could have held the ground if taken up under miners’ rights. ‘Now a man who will give evidence of that description deliberately to damage the character of another person, when there is not a shadow of truth in the allegation, ought not to have much credence placed on his statements’.  

After three days of hearings, the committee reclined to make ‘any recommendation’.  

On 5 January 1870, de Hirsch sued Lundon for trespass. His declaration stated that Lundon had ‘wrongfully broken and entered upon such allotment, had commenced to sink a shaft, &c, and to carry away soil, quartz, and other minerals, to the irreparable injury, &c’. As Lundon ‘threatened to continue’, he sought £1,000 as damages. After Lundon denied ‘all the material allegations’, de Hirsch gave evidence that he had owned the allotment ‘for about two years’.

Up to July last, nobody interfered with my possession. I did not live there; but I was on the ground every day for two or three weeks before the trespass. The land is fenced, except the street lines, through the block. Even some of the allotments are separately fenced. On allotment 24, there was a blacksmith’s shop erected; but it had been removed before the time of the trespass. I had leased a portion of 24, for ten years, to a man named Woolgar, who put up the shop. I repurchased his right, and then he gave up possession to me, he removed the building without my knowledge. Prior to July, I had made arrangements to erect a smelting furnace on the south-east portion of 24; and I went on the ground several times to see if the materials had arrived. On the 1st July, a very short time before the defendant came on the ground, I was engaged laying out the site for the furnace, in

172 AJHR, 1869, F-6, pp. 12-14.
173 AJHR, 1869, F-6A, p. 3.
company with Mr [Jules George] Wilson, who was interested with me in the speculation. We put in four pegs, for the carpenter to erect the preliminary building by the shed over the brickwork. In consequence of something told me, I went back on the ground, and saw some pegs on another portion of the south-eastern part, which were not the pegs put in by Wilson and myself. I pulled them out. Then the defendant came on the ground, and asked me, “What do you mean by pulling out my pegs?” I had been away from the ground about an hour. The defendant came a few minutes after I drew the pegs. I replied to him, “You have no right to come on my land, or to put any pegs on it.” He said something to the effect, “We’ll see if you’ll pull the pegs out again.” He went away, and in a few minutes he returned with at least 15 men. The defendant put pegs in again, in the same places; and then he, and most of the men, defied me to pull out those pegs. I did not then pull out the pegs – there were too many objectors, and I went away. On the morning of the 2nd, I met the defendant in Golden Crown-street, near the same land. He said he would issue a summons against me for pulling out the pegs. He did issue a summons, calling on me to show cause why I should not pay £10 – the usual penalty for removing pegs. I went to the Court, and waited all day, but he did not appear; and judgment was given for me, with costs. On that same day, or on the 3rd, I saw from six to eight men opening a shaft on the south-eastern part of the ground. Some of those men I recognized as being with the defendant on the previous occasion. I asked them under what authority they were on the ground, and what authority they had for mining. After a while, they said they had the authority of the owner; and I said that I had not given them authority, and I was the owner. I ordered them to leave the ground; and they asked me to try whether I could make them do so. They remained working. I knew, as a matter of talk, that the defendant fancied he had some claim to the land; so I went to him and asked whether he had anything to do with the shaft. He said, “Well, I’ll soon show you what I mean; and you’ll learn a few other little things before you get older.” I believe this was on the 2nd; but it was certainly on the 2nd or 3rd. On the following day, the same men continued to carry on mining operations. On the 4th or 5th, I came down to Auckland and took legal advice from Mr Gillies. Up to that time, the men were at work. I remained in Auckland just long enough to commence this action, and for Mr Gillies to obtain a provisional injunction. The writ was served upon the defendant, and a copy was posted at the shaft. I believe the men left immediately after the injunction was posted. The shaft was not sunk more than 9ft or 10ft. The shaft was sunk just near the centre of the land, where I meant to have put the smelting furnace. I had consequently to alter the site, at very considerable cost and inconvenience, because we could not occupy one-half of the land
afterwards. But for the shaft, drays could have gone upon the allotment with material; but, as the shaft was right opposite the gateway, the material had to be taken from the drays outside, and either wheeled or carried in on barrows. There were 50,000 bricks, 8,000ft to 10,000ft timber, with lime, clay, and 50 or 60 tons of coal – the whole being several hundred tons. There was no other point at which a dray-road could be made on to the allotment. Two-thirds of the ground could not, in consequence of the shaft, be made use of to store materials. The extra expense in labour, &c, through the sinking of the shaft, has been at least £100. The men engaged in erecting and working the furnace have been constantly annoyed by those men who were concerned in the sinking of the shaft; and I have been exposed to constant annoyance and abuse. Certainly, my enjoyment of the property has been very greatly lessened. I tried to get the shaft removed, but I was prevented.174

Lundon was defended by Whitaker, who asked ‘under what authority’ de Hirsch obtained possession of the allotment ‘in express contradiction’ to an Act of Parliament. Cross-examined, de Hirsch said he ‘had possession of this land in October, 1867, by permission of the native owners. From some of the owners I had a kind of permission in writing. It was written on a sheet of note-paper’. The question whether he had ‘an agreement of sale, or a permission to occupy, or a lease’ was ruled out of order by Arney, who was hearing the case. ‘I do not know whether the land is within the boundaries of a goldfield, but I believe it is. Certainly, on the piece of ground now in dispute, there is only the one shaft. I believe that that shaft is within the ground which the defendant alleges to be his claim’. After Whitaker stated that it was part of the Golden Gate claim, on the seafront beside the mouth of the Waiohight Stream, he handed de Hirsch a copy of the Auckland Provincial Acts Validation Act of 1869 and asked whether the allotment was included in the land described in the third schedule:

I cannot tell. There are native names here which I never before saw or heard of. I did, before a committee of the House of Representatives, state that land in which I was interested was within a goldfield, but that it was reserved for native cultivation and township. I did not then specially refer to the land now in question; but the land to which I referred included this.

174 Supreme Court, Daily Southern Cross, 6 January 1870, p. 4.
He believed the land was within the goldfield but ‘the Government has not acquired the right of mining over it – that it is a reserve’. The Golden Gate Company was trespassing on his land. ‘I pulled out three pegs. One of them was on Kauarang No. 23; and two on 24, which is now in dispute’. He ‘never had any dispute with the defendant about any other pegs or shaft. I recollect now that the summons against me was for pulling out pegs of the Criterion Claim; but I have never been able to ascertain that such a claim was registered’. He knew that Lundon had a dispute with another mine owner and had ‘used his “army” to set up what he called his rights in that case, too’. The Golden Gate was being worked on his land in defiance of the Supreme Court injunction. He believed the ground claimed by the company included ‘part of that upon which the shaft of which I complain has been sunk. The Golden Gate people were not working at the time of the trespass, but they had before that time sunk a small shaft’. They had been working ‘for three or four months’.

I never pretended that I saw the defendant working at the shaft. I have possession of the land on which the furnace stands; but Mr Wilson, who is my partner in the building, is to have an interest in the land as soon as he fulfils certain conditions. Mr Wilson has had to pay his share of the extra expense I have mentioned; but I consider I am responsible to him, because our agreement was, that I should find the land upon which to erect the buildings. He has, or is to have, an interest in a portion of the land which is the subject of this action, so long as the buildings are upon it. I gave Wilson permission to erect the buildings. That was in June last, and it is the only title I have ever given him. There is a written agreement between myself, Wilson, [Thomas] Constable [of Shortland], and others as to the furnace, &c. The agreement between Wilson and myself is a private one, and was made only a few weeks ago. As to the land, Wilson has no interest in it. The furnace is allowed by me to stand on the land; and Wilson has a right to come to the furnace to work it, and has a share in the profit. The whole extent of the land in dispute in this action is about an eighth of an acre.

Re-examined: The materials for the furnace belong to myself and Wilson: the others who have been mentioned have an interest in the business, through a patent for working the furnace. They are to have an interest in the furnace itself when they pay their share of the cost. I believe that the beginning to erect the furnace was made on the 7th July. Certainly, at the time of the trespasses,

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175 See Daily Southern Cross, 7 September 1869, p. 4, advertisement, 14 September 1869, p. 7; Thames Electoral Roll, 1870, p. 8.
nobody but myself had possession of the land. I regard myself as morally liable to Wilson for his share of the extra cost of the furnace, &c, caused by the existence of the shaft on the ground.

The plan and tracings produced in court called this the Shannon shaft, a name he had not previously heard; some called it Lundon’s shaft. ‘I believe that, before July last, there was registered a lease from the native owners to the defendant, for some of my land. That lease, I believe, is subsequent to mine’. Before 1 July, Lundon had not claimed possession, and no mining was done on the land.¹⁷⁶

A neighbour gave evidence of Lundon’s men pegging off claims. Lundon had told him ‘that he did not care how the case went, for, if he lost, the shareholders would pay the expenses’. When Lundon ‘dared’ de Hirsch to pull out the peg on Kauaeranga 23, ‘the shaft on 24 had not been commenced’.

Jules George Wilson then gave evidence:

I have not, nor have I ever had, any interest in that land. There is an agreement that the plaintiff shall, at some future time, when he is in a position to do so, and upon conditions, give to myself and others a lease of the allotment; and on that understanding we built the furnace, with the consent of the plaintiff. The furnace can be removed, if the plaintiff allows it, not otherwise. The conditions upon which the lease is to be given have not been performed by myself and the others. I was upon this piece of ground on several occasions about the end of June to plan out how the buildings for the furnace should be erected. On one of the occasions, after we had marked out the ground, but on the same day, I saw the defendant on the ground, several men being with him. I saw the defendant place a peg, and another man drive it. After that, the defendant and his men went away; and the plaintiff pulled out the peg and threw it away. That peg was, I believe, at the corner of No. 24; it might have been an inch inside or outside the boundary line. I believe that the shaft on this land was commenced two or three days after what I have stated as to the pegs. I am sure it was not commenced before 30th June.

In reply to Whitaker, he explained that the agreement was made before the ground was marked out for the furnace. ‘I am not in partnership with the plaintiff, except as regards the furnace and its working’. The erection of the furnace commenced ‘a few days’ before Lundon put in his

¹⁷⁶ Supreme Court, Daily Southern Cross, 6 January 1870, p. 4.
pegs. ‘The furnace is not yet quite completed, but it has been used once or twice as a trial, the expenses being defrayed by the plaintiff and myself. All those who are interested were present at the trials’.

Robert Burra gave evidence next:

I was engaged to look after the erection of the furnace and buildings; and I first saw the ground on the 3rd July. Men were then engaged digging the shaft, and I should say they must have been at work two or three days. The shaft has much interfered with the value of the allotment. It caused a daily increase in the cost of erecting the furnace, &c; and I believe that, as a consequence of the shaft being in the road, I have paid over £100 for the works more than I otherwise should have done.

When the injunction ‘was posted on the shaft, two of the men came up and read it. One of them said, “Here’s a spell, boys! We shall have a holiday.” They stopped work that day’.

Whitaker deposed that neither he nor Lundon claimed the whole allotment, only part of it, and not the southeastern portion. They were partners ‘in several pieces of land’ at Thames. Had heard from several people, including Lundon, that the second survey, to define the boundaries, was the cause of this dispute. ‘It is my idea that, after the second survey, the defendant’s claim to this land ceased; but I do not profess to know the whole mind of the defendant’. This statement prompted Lundon’s other lawyer to point out that Whitaker had been Lundon’s solicitor in all his Thames land dealings. Whitaker ‘gave some explanation to the Court; but it was wholly inaudible to the reporters’. He clarified that he was Lundon’s solicitor for all his dealings, but ‘as to the pleadings, &c, in this case, I am not his solicitor: and he has communicated with me, not as his solicitor, but as solicitor to the Shannon Claim’. He heard Lundon ‘verbally give an authority to the Shannon people to sink a shaft; but where that shaft was to be sunk I did not, and do not, know. I think the words he used were, “I’ll give you a piece of land for a shaft,” or very nearly those words’. He understood that the ‘Shannon people’ sunk the shaft on No. 24. Although he drafted a written authority to sink on part of No. 24, Lundon said he would not sign it. He had seen a plan showing that the shaft was within the Golden Gate claim, in which he was a shareholder.177

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177 Supreme Court, *Daily Southern Cross*, 7 January 1870, p. 5.
A miner who had helped to sink the shaft gave evidence that Lundon, ‘about three weeks before we began, told me and my mates that we could have the piece of ground. I did not ask from any other person permission, but my mates did’. They commenced to sink on about 25 June, ‘three weeks or a month before’ the first injunction was posted up. He understood it was on the Golden Gate claim and that any minerals found were to be given to its shareholders ‘until we reached the level of our own ground’. Lundon had pointed out where to sink it.

Whitaker moved for a non-suit on the grounds that de Hirsch had not shown that he was lawfully and exclusively in possession nor that the sinking of the shaft commenced on or about 3 July. Arney pointed out that Lundon would have to prove he had a superior title, which he had not done, and, after further legal argument, ruled that de Hirsch had been legally in possession of the land. Consequently, Whitaker had to commence the case for the defence. Lundon gave evidence about the claims he had interests in and which he had helped to peg out, including the Criterion, on 29 June, assisted by a Maori and another miner. He denied having put any pegs on No. 24.

I never claimed any right to the possession of the land now in dispute. The peg I have spoken of was on No. 23. After I went away, I was told the plaintiff had pulled out that peg – he’d not have done I with me looking at him. I went back, put in the peg again, and called to the plaintiff, who was four chains off, to come and pull it out again. What has been called my “army” consisted of Tom Meagher, a native, and the man who had come to tell me what the plaintiff had done.

He had shown the Shannon miners where they could sink a shaft ‘on No. 24, but not on the part of it which is now in dispute, and to which I never laid claim’. The shaft was not on the land he pointed out, and he had no interest in the Shannon. ‘I had nothing in the world to do with the sinking of the shaft’. Cross-examined, Lundon said he had never taken steps to lease all of No. 24, but he did have a lease that might include the land in dispute. ‘I never told the plaintiff that I claimed No. 24. I never spoke to him but once; and I would not be seen speaking to him if I could help it’. He claimed No. 24 on 3 July ‘and for, perhaps, three months prior to that time. What I meant when I said that the plaintiff would not have pulled up the peg if I had been looking on, was that I’d have hit him with a peg or with my fist’. In permitting the Shannon men to sink a shaft he would not ‘get
anything in the world'; it was 'entirely out of kindness. I do a good deal of
that, down there and elsewhere'. His brother William, a shareholder in the
Shannon, stated that they commenced sinking the shaft on 14 or 15 June,
with the permission of his brother and the owners of the Golden Gate. ‘We
never put a pick in at the place pointed out by my brother on the map’.

Whitaker pointed out that the plan used to fix the spot to sink had ‘no
definition at all, except a small square drawn upon the plan, and on the
boundary of 24’. In summing up, he repeated that de Hirsch had not
shown he was in lawful possession and that Lundon was not involved in
sinking the shaft. Although no ‘real damage’ had been done, de Hirsch’s
legal action was an attempt ‘to get damages, instead of for the purpose of
asserting a right’. In response, de Hirsch’s lawyer explained that the action
was brought because the trespassers ‘did not show that common honesty
and fairness of dealing which would have been shown by declaring, when
challenged, under what right or asserted right they had come there’. Why
had not Lundon explained that he had nothing to do with the trespassers
rather than say, ‘You’ll soon find what I mean. I’ll learn you a few things
more before you are older’. Lundon’s witnesses ‘agreed too well for the sake
of’ his case, and the defects in their evidence were pointed out.

Arney told the jury that there were no questions of law to consider,
only questions of fact. If jury members believed that Lundon had authorized
the shaft, they

might think that substantial damages should be given; but
certainly they ought not to award anything like vindictive
damages. The jury, he thought, should consider the acts of these
men in the light of the state of the place where they were alleged
to have been committed – where everybody seemed to be at
liberty to enter upon anybody’s land for the purpose of marking
out land for goldmining purposes; and where, to that extent, very
loose ideas of personal property seemed to prevail.

After discussions about some of the evidence, the jury retired for half
an hour before giving its verdict on three questions. ‘1. Was the plaintiff
lawfully in possession, &c? He was. – 2. Did the defendant by his workmen,
wrongfully and improperly break and enter, and commence to dig a shaft,

178 Supreme Court, *Daily Southern Cross*, 8 January 1870, p. 6.
&c? He did not. – 3. What damages if any, is the plaintiff entitled to recover? None’.179

Immediately afterwards, de Hirsch applied in the lands court for Kauaeranga No. 16, on the foreshore, the northern bank of the Waiotahi Stream, and fronting Owen Street. That his counsel was Macdonald indicated the latter’s view of his late partner’s behaviour. He was opposed by Whitaker and Lundon, ‘who claimed, by virtue of an alleged agreement existing between them and certain natives, to be put in possession of the same land, which they contended became theirs by right of valid lease; alleging that the lease of the applicant, although made prior to theirs, was invalid and totally useless’. A clerk of the court, an interpreter and a ‘native land agent’ (James Watham Preece),180 and a solicitor gave evidence about the deed being signed on 22 July 1868 before a certificate of title was issued, as was common practice. Then de Hirsch gave evidence:

Since the lease was made out he had parted with portions of the ground to sub-tenants. Had cut up the entire block into allotments which were sub-leased. Some of his tenants had sublet to other parties. The lot in question was near the wharf – included the ground on which the Wharf Hotel and adjoining buildings were built.181

The block, ‘in the very centre of Grahamstown’, was divided into 18 allotments. He had not built on it himself.182

Had sub-let the ground for fourteen years, at the end of which time it reverted to him, together with all buildings thereon. The buildings were now worth £8,000 or £10,000. Believed the whole of those buildings were erected before Messrs Whitaker and Lundon leased the ground.183

‘The land itself is of considerable value, some of it belonging to my subtenants is let for £10 per ft frontage, some £8 and £5’.184

179 Supreme Court, Daily Southern Cross, 10 January 1870, pp. 4-5.
180 See Thames Advertiser, 12 August 1878, p. 3.
181 Native Lands Court, Daily Southern Cross, 11 January 1870, p. 7.
182 Maori Land Court, Hauraki Minute Book no. 3, pp. 95, 96.
183 Native Lands Court, Daily Southern Cross, 11 January 1870, p. 7.
184 Maori Land Court, Hauraki Minute Book no. 3, p. 95.
The lease was for £22 a year, which witness regularly paid to the natives. Had sub-let it for ten years for £80 altogether – not more than £85 at all events. Things were very bad at the time he let the ground — they had considerably increased when Messrs Whitaker and Lundon endeavoured to get a lease of the same ground. The natives were dissatisfied with the first lease: one native alone wanted £250 as his share a month, while witness himself was only getting £80 a year for the lot.\(^{185}\)

'I had tried before – many times – during the last 18 months to obtain the freehold – Some of the natives wanted more money than I could give' for this. Some owners ‘refused to give me a freehold’ and ‘some refused to sign a new lease’; three said ‘we were very foolish when we signed’ because ‘we can get more money’, while others said they ‘would not sign any more deeds for anybody’. Aperahama Te Reiroa\(^{186}\) and his son Aihe Pepene\(^{187}\) told him that Whitaker and Lundon had offered an annual rental of £1,000, Harawi asked for £250 per annum for his interest, and Te Moananui ‘said he did not care what he signed so long as I gave him £100 for his signature’.\(^{188}\)

Did not know that the first lease was voidable. Heard there was something wrong in the lease in June last, and in September was told that there was another claim to the same block. About that time witness himself was endeavouring to make fresh arrangements with the natives, who, however, wanted exorbitant terms, in consequence of having been spoken to on the subject by Whitaker and Lundon, and told that their lease with him (witness) was not valid. Was told that Whitaker and Lundon had offered them £1,000 a-year for this same piece of land. An affidavit had been published, signed by him (witness), stating that Messrs Whitaker and Macdonald were his solicitors in this matter, and had drawn up the lease. That was incorrect, and the affidavit was published without his authority – he believed by Mr O’Keefe, to be read before a committee of the House of Assembly on the Thames Validation Bill. Mr Whitaker was not his solicitor in the matter referred to, and before signing the affidavit he had struck that gentleman’s name out, but it had been published by mistake.\(^{189}\)

\(^{185}\) Native Lands Court, *Daily Southern Cross*, 11 January 1870, p. 7.
\(^{186}\) See paper on Reha Aperahama.
\(^{187}\) See paper on his life.
\(^{188}\) Maori Land Court, Hauraki Minute Book no. 3, pp. 96-97.
\(^{189}\) Native Lands Court, *Daily Southern Cross*, 11 January 1870, p. 7.
Shown the affidavit, he said that it was only a draft. ‘I refused to sign it until the paragraph relative [to] Whitaker was expunged’. However the clause about the legal advice he received was true. ‘I generally went to see Mr Macdonald – because I thought Mr Whitaker did not know much about it’. He saw the affidavit the morning after it was printed, and asked O'Keefe ‘to contradict it. I do not know who got it printed’, and repeated that the affidavit he corrected was not printed. O'Keefe had given two copies to others, but he did not know to whom. ‘I saw a copy in the library of the Assembly which I took away with me – this was the only one I saw actually in circulation. Mr O'Keefe told me he would stop the distribution of them and got the two back which he had given. The third clause contains the misstatement, the remainder is true every word of it.

He repeated that he saw Whitaker when he and three others pegged out the Golden Gate. After asking Whitaker’s advice about his land, immediately afterwards he saw them pegging out. After the block had passed through the court, he discovered that he had to deal with another eight owners in addition to Aperahame Te Reiroa, the only person he had dealt with previously. ‘The original agreement was for less than it was after the Court and I only got a portion of the Block’. James Mackay had assisted him. ‘I was never told that my arrangements with the natives were embarrassing the Government’. He gave the owners ‘a few pounds before the Court sat – I do not think that was stopped out of the rent. Within the first year I paid the natives more than was coming to them’.

On the following day’s hearing, after legal debate about the practices of the lands court, its chief judge, Fenton, denied the defence’s application for a non-suit and for an adjournment to bring witnesses. Immediately afterwards, de Hirsch applied for Kauaeranga No. 24 and Whitaker and Lundon opposed him. ‘This case was of a similar character to the last in many respects, the question of title raised being exactly the same, though some of the other points differed’. Preece stated that de Hirsch ‘was in treaty with other natives not those certified – with [Te] Moananui’s people’, who also claimed to own the land. De Hirsch ‘said he was satisfied that the provisions of the Crown Grants Act 1866 or 7 would secure the title he could

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190 Maori Land Court, Hauraki Minute Book no. 3, pp. 97-98.
191 Maori Land Court, Hauraki Minute Book no. 3, p. 99.
192 Maori Land Court, Hauraki Minute Book no. 3, pp. 99, 100.
then get’. An interpreter stated that when he took rent money to the owners ‘they refused to take the money then due’ because Anaru said they could get more from Whitaker and Lundon; the latter ‘had pressed him several times’ to lease the land.

After more legal argument on the following day about whether any of the rival leases were valid, de Hirsch gave evidence:

Had leased the land from the natives, and paid rent for it as long as they would take it; but, on offering it to them for the quarter ending August, they said they had leased the same land to Messrs Whitaker and Lundon, who had given them a higher rent for it. Had paid the rent up to the 30th June. It was prior to that time that they let the land to Whitaker and Lundon. I sub-let the various allotments comprised in 24, and they were now all built upon. The value of the land would be £1,500, and about £3,000 worth of buildings were erected upon it. Had received an offer of £1,000 for the land eighteen months ago.

As recorded by the court clerk, he got £93 for subleases made by lessees and the approximate value of the buildings was ‘some 3 or £4000’; the best one was the Monte Christo Smelting Works. As the block was in the centre of Grahamstown and was ‘the most thickly populated part’, he estimated the land as being worth ‘£1 per foot’; he had been offered £1,800 for it. ‘I believe the land itself is worth £1500 for my term of lease, over and above that I have 11 years subsequent tenure’.

I had a deed prepared by Mr Macdonald alone. I had stated before the committee other matters which exculpated Mr Whitaker. My solicitors – Messrs Hart and Buckly – in Wellington prepared the first deed. At the time Mr Whitaker drew up the second deed, he knew of the existence of the first; he read the deed of the 15th February word for word. Immediately the certificate of title was obtained, I obtained the names of the grantees from the Clerk of the Court, and found out they were not the names I had expected to see. I then went to Mr Preece, and asked him to see the natives about arranging for the sale of the land. I believe he did so the same day. I then went to Mr Macdonald, and he prepared the lease. The natives were brought to Mr Macdonald’s office, I think

195 Maori Land Court, Hauraki Minute Book no. 3, p. 107.
196 Maori Land Court, Hauraki Minute Book no. 3, p. 109.
197 Native Lands Court, Daily Southern Cross, 13 January 1870, p. 5.
198 Maori Land Court, Hauraki Minute Book no. 3, p. 111.
on the following day. There were three of them. I paid them their one quarter's rent in advance. The natives I paid it to were Wiremu Kingi, Teretiu Kingi, and Anaru Te Poroa, at the same time telling me to transact all further business with Anaru Te Poroa, the other two living somewhere at Mercury Bay. Some months afterwards I found out the whole of lot 24, Kauaeranga, was not on the plan. It was when I got the deed back from the Registry Office, and compared it with the plan in my possession, that I found out this.199

He blamed the surveyor for this mistake.200 ‘About the same time I applied to Mr Frederick Whitaker as to the right of mining, and he told me to get this lease from the natives, for without this I could not mine’.201 They had ‘two or three’ conversations, for which he was charged a guinea.202 He claimed that afterwards Macdonald and Whitaker ‘had an argument’, unexplained, in his presence about Frederick Whitaker’s ‘opinion – there was a bet made on it by them’.203

I thought this a good opportunity to have this piece included in the same deed. I then saw Mr Macdonald about the deed – a few days before the 15th February. Mr F.A. Whitaker was present at the office. They were talking the matter over. What I told Mr Macdonald was that I wanted the piece of land included in the other lease, and I wanted the right to mine on this land secured. The three natives were in Shortland at the time, I went to see them with Mr Edward Davis [an interpreter],204 and told them in the former lease a portion of the ground had been left out. I saw them all three together. I told them that I wanted from them the right to mine on the land. They said, “Oh, of course you lease the whole of the block, and [can] do what you like on it.” That was what came to me from Mr Edward Davis. Nothing was said about more money. The following day the three natives, Mr Davis, and myself went to Mr Macdonald’s office. This was on the day the deed was signed – the 15th February. The deed was not quite ready – the clerk was just engrossing it; and the three natives, Mr Davis, and myself went into Mr Macdonald’s room. Mr Whitaker was in it; the former gentleman was absent. We had to wait about

199 Native Lands Court, *Daily Southern Cross*, 13 January 1870, p. 5.
200 Maori Land Court, Hauraki Minute Book no. 3, p. 113.
201 Native Lands Court, *Daily Southern Cross*, 13 January 1870, p. 5.
202 Maori Land Court, Hauraki Minute Book no. 3, p. 117.
203 Maori Land Court, Hauraki Minute Book no. 3, p. 113.
204 An interpreter.
20 minutes or half-an-hour before the deed was brought in by the clerk; and during that time I had a good deal of conversation with Mr Whitaker. – The Court: This was before the days of scrip, was it not? – Witness: There were very few about. I asked him at the time particularly if this deed would now make the whole block right, because the acreage described in the plan on the other deed was wrong, as it was only for a portion of the block. Mr Whitaker said, “Oh, it is all right now.” He said nothing about a certificate or bad title at the time. When the deed was brought in I asked Mr Whitaker whether it would be necessary, in order to make the deed valid, to give the natives some extra rent for the right to mine, as they had not asked for anything extra, and he said, “Well, you had better give them a nominal sum – rental.” I arranged to give the natives an extra £2. Mr Whitaker then told the clerk to fill in the blanks in the deed, namely, amount of rental, and some other things I don’t recollect now. Mr Davis then asked Mr Whitaker to read out the deed to him in English, while he was interpreting it to the natives. The three natives signed the deed, and Mr Whitaker and Mr Davis attested the signatures. Then Mr Whitaker instructed his clerk to forward the lease to his agents – Messrs Whitaker and Russell, in Auckland – for stamping and registration. Some two months or six weeks afterwards I heard that Messrs [Whitaker and] Lundon had leased the land from the natives. In consequence of this report I went to see Mr F.A. Whitaker in his office at Shortland, and asked him what he meant by leasing this land, and why he did not let me know that there was something wrong in it. He said to me, “Well, De Hirsch, I don’t want you to lose any money by this, and will return what you have paid.” I then saw Mr Macdonald about it, and asked him what really was wrong with the deed. He told me he did not know what it was.205

His evidence as recorded by the court clerk was more direct. After Whitaker made his offer to repay his money, ‘I thanked him for his generosity & retired. I saw Mr Macdonald about it & asked what really was wrong with the deed – he told me he did not know exactly but that it was some dirty work he had nothing to do with’.206

I issued a writ against Lundon in the Supreme Court. I never saw the writ, and don’t know that there was a plan on it. I instructed my solicitors to put a plan. There was a line representing the boundaries of south-eastern portion of Kauaeranga No. 24. I saw the plans produced in Court. They represented the south-eastern

205 Native Lands Court, *Daily Southern Cross*, 13 January 1870, p. 5.

206 Maori Land Court, Hauraki Minute Book no. 3, p. 115.
portion of Kauaeranga No. 24. It had a tracing of the foundation for a machine. I made the sketch myself. I gave no evidence on that plan. I did not see the writ; I believe I heard it read in Court, and saw it in [his solicitor] Mr [Samuel] Hesketh’s brief.\textsuperscript{207} I knew the purport of the declaration. I said, in consequence of the shaft being placed where it was, the furnace was built nearer the boundary than intended. The present fence includes 26 feet more than the south-eastern portion. I tried to make the Court and the jury believe that the shaft was very much in my way. I stated before the General Assembly that Mr Whitaker prepared the lease. I gave instructions to both Mr Whitaker and Mr Macdonald. I believe I might have taken up the ground under a miner’s right in January. I wished the committee of the House to believe that Mr Whitaker, of Auckland, and Messrs Whitaker and Macdonald, of Shortland, gave me wrong advice as regards the Golden Gate Claim, in order to profit by it themselves. I do not include Mr Macdonald in the profiting, but he gave bad advice. I believed this myself at the time. I was of the impression that, by getting permission of the owners of the land, I could mine; so Messrs Whitaker and Macdonald, of Shortland, and Mr Whitaker, of Auckland, instructed me. The natives who owned this land never signed any document whatever to the Government, ceding the right to mine to the Crown; and that land was included in the Thames Proclamation Validation Act, which was the reason for my going to Wellington to complain. Mr Mackay’s agreement of the 9th March, 1868, was signed by a great many natives, but not by the right owners of this block. I paid rent quarterly in advance. Made last payment on or about the 30th March. I never had any memorandum of agreement with any persons professing to be owners of lot 24, Kauaeranga, before the 30th June. I paid £5 to a native (Ngapari) who said he was an owner, for which a receipt was given. I let two persons put up canvas stores on the block, for which they paid me rent. I told them they should get titles as soon as I got one. I instructed Mr Preece to see after the real owners of the land; and get a lease as soon as the land had passed through the Courts, as to prevent other persons from getting it, as they were interlopers. I looked upon the rest of the world as interlopers, because I had previously made arrangements with the natives. I knew there was a party looking after it.\textsuperscript{208}

Rent was paid up until 30 March, the next payment being due on 1 July. ‘About [the] middle of July I asked one of the natives why he did not

\textsuperscript{207} See \textit{New Zealand Herald}, 7 July 1938, p. 4, 10 January 1939, p. 10, 11 January 1939, p. 15.\textsuperscript{208} Native Lands Court, \textit{Daily Southern Cross}, 13 January 1870, p. 5.
come for his money’. He had made an agreement with Ngapari probably in December 1867.  

At that time I knew nothing at all about the Native Lands Act.... Originally I only intended to hold the land for a month for a store.... I knew nothing about Certificates of Title at that time – I understood the verdict of the Court was sufficient to give me a good title. I never knew anything about Crown Grants Act &c until I went to Wellington.

That concluded his evidence, and the following day was taken up with legal discussion, Fenton admitting that ‘the mind of the Court had already been much confused with the mass of evidence brought before it’ and both the second judge and the defence counsel considering that the cases should have been heard in the Supreme Court. It was agreed to ask Arney to ‘decide one of the cases’, as his decision on points of law would be ‘a great guide’. But as Arney ‘absolutely declined to do so’, the defence commenced its case, hoping that ‘the refutation which would be made of the unfounded and disgraceful charges which had been made by the other parties against the Messrs Whitaker, before the public tribunals, would be made public to the people of New Zealand’.

Anaru Te Poroa said that in June 1868, after the lands court sitting, de Hirsch asked him to sign a lease. ‘I said you must increase the payment’, and asked for £30. Two others had received £5, but Anaru said he would give the land to someone who would give ‘a just rent’. When Lundon told him he did not want the land because there was no road, ‘I said never mind – I don’t like Mr De Hirsch – too little the money’, and Lundon agreed to talk about it later. Lundon did not ‘chase him’ about the land, and Whitaker was not involved. After receiving the first payment from Lundon, he would not take any more rent from de Hirsch: ‘I said I would not steal his money’. He told de Hirsch that Lundon was to have the land because ‘he gives me the highest rent – and because of the goodness of his words & the clearness of his arrangements’. Asked whether he knew what he was signing when he signed de Hirsch’s lease, he replied, ‘Yes I knew it was a thing of no importance’. Although at first satisfied with the £20 rent, ‘I am not now

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209 Maori Land Court, Hauraki Minute Book no. 3, p. 118.
210 Maori Land Court, Hauraki Minute Book no. 3, p. 119.
211 Native Lands Court, Daily Southern Cross, 14 January 1870, p. 5.
212 Native Lands Court, Daily Southern Cross, 15 January 1870, p. 6.
satisfied with £20 and have not been for a long time’, even before he met Lundon. He did not realize that he was being paid rent in advance.\(^{213}\) Anaru also complained de Hirsch did not get him a gun license, as requested.\(^{214}\) He believed that as no Crown Grant had been made, his agreement with de Hirsch ‘had not become sacred’. When Lundon agreed to his request for a rent of £40, Lundon said that de Hirsch had been slow to act about the Crown Grant and that he would ‘be quick and get my deed registered first’, and that Anaru was in no danger of going to prison. ‘I did not know when I signed De Hirsch’s lease that it was not sacred’.\(^{215}\)

Eicke, a shareholder in the Golden Gate Company, deposed that the ground was pegged out on 24 December 1868 and registered on 6 January 1869. ‘Mr Whitaker had nothing to do with the pegging out of the ground, and if Mr de Hirsch had taken up that land in January under miners’ rights, he could not have held it, as they had got possession of it. The Messrs Whitaker could not have profited in any way by the pegging out’.\(^{216}\) He had sold a quarter share to Whitaker before the company was formed.\(^{217}\)

Teretiu Kingi ‘thought it was a proper thing to give the land to Lundon & Whitaker after giving it to De Hirsch…. I do not know what is meant by signing my name to a deed…. I think it would be just if a person offered me £50 tomorrow to make a new lease’.\(^{218}\)

The magistrate’s clerk explained that because several people between February and June 1868 had asked about leasing parts of Grahamstown, Mackay issued notices ‘warning persons against entering into contracts with the natives for the land, as they should do so at their own risk’. This land included Kauaeranga No. 24.\(^{219}\) The press did not print his statement that he knew that Whitaker ‘was trying to lease land over the heads of those for whom they as Solicitors had already prepared leases and I knew it was wrong’.\(^{220}\)

The next day’s hearing commenced with evidence by a Member of Parliament who had been on the committee considering de Hirsch’s

\(^{213}\) Maori Land Court, Hauraki Minute Book no. 3, pp. 121-127.

\(^{214}\) Maori Land Court, Hauraki Minute Book no. 3, pp. 124, 127.

\(^{215}\) Maori Land Court, Hauraki Minute Book no. 3, pp. 127, 129-130.

\(^{216}\) Native Lands Court, *Daily Southern Cross*, 15 January 1870, p. 6.

\(^{217}\) Maori Land Court, Hauraki Minute Book no. 3, p. 130.

\(^{218}\) Maori Land Court, Hauraki Minute Book no. 3, pp. 131-132.

\(^{219}\) Native Lands Court, *Daily Southern Cross*, 15 January 1870, p. 6.

\(^{220}\) Maori Land Court, Hauraki Minute Book no. 3, p. 134.
affidavit. He had seen a ‘printed copy of an affidavit purporting to be signed by’ him, but did not know that he had ‘qualified’ the statements.\footnote{221}{Maori Land Court, Hauraki Minute Book no. 3, p. 135.}

It was never, he said, before the House of Assembly officially, but it had been alluded to by Mr de Hirsch in his evidence before the Select Committee on the Native Lands Bill. He had no conversation with de Hirsch about the matter outside the committee, and then it was simply de Hirsch answering such questions as were put to him. The subject of the proceeding to which the affidavit related had been talked about among members both outside and inside the House, and had created a strong feeling down at Wellington.

Whitaker’s contradiction of a statement in the affidavit had been reported in the press.

Hirawa Moananui stated he had only received £2 from de Hirsch, despite asking for more. The second time he asked, he was told the money had been paid to Aperahama Te Reiroa; as Aperahama denied receiving any, Hirawa told de Hirsch he had ‘made a false statement’. The third time he asked, de Hirsch ‘said he had no money and went out of the store’ where they were talking. ‘I thought the first £2 was for signing the deed – not for rent – Mr De H did not say so – but I thought so’. He did not know what proportion of the rent money he was supposed to receive, and had received nothing from any of the owners, including his father. ‘I did not know that Lundon was leasing land already leased to De H’. Lundon had agreed to his request to pay him £120.\footnote{222}{Maori Land Court, Hauraki Minute Book no. 3, pp. 136-139.}

Te Moananui, father of Hirawa, said that de Hirsch’s lease had ‘been killed by Lundon’s payment’, which was larger. He had received rent from de Hirsch, ‘but his money was small’. After claiming that he did not know how much he had received nor how much he was owed, he said that he had received £5 10s but did not know if this was the first or last amount. ‘I went repeatedly for the money as it was never given me’.\footnote{223}{Maori Land Court, Hauraki Minute Book no. 3, pp. 139-141.}

Aperahama Te Reiroa said he rented Kauaeranga No. 16 to de Hirsch in January 1868 for £22 per annum.

It was arranged that immediately after the sitting of the Native Lands Court the lease should be signed — because then the...
names would be fixed upon – De Hirsch paid me money on a/c spent before the sitting of the NLC. He first gave me £2 and £1 and £3 & £3 – the money was paid in that way – I cannot say how much – I do not know [how] much I have received from De Hirsch altogether. We received the £44 in money not in clothing or food – after we had the money we spent it on clothing and food – Mr Lundon met me in Shortland and asked me for the piece of land that De H. had – I then said by and bye – when I have seen de H. and quietly talked the matter over with him – this was my answer to Lundon on several occasions – I did not go to De H. about it. I said to Hirawa and Aperahama see De H. first and then sign your names to Lundon’s lease if you are dissatisfied. I never saw De H. – he passed me on horseback but I did not see him to speak to him about it – I was near the store one day and [Aihe] Pepene called out here is De H. I went to see him and he came out of the Store and got on his horse and rode away and I said I will sign the other lease – I was not pursuing De H. for money but quietly to judge the matter – and to have an understanding about the moneys I had been paid – I did say that De H. had not paid me any money on a/c of the lease of that land – I had recd money at Xmas what I told Moananui was that I had recd no money since – it was after the investigation of the land – De H. gave me £2 that Xmas. I never saw Whitaker before the signing of the lease for this land – I cannot remember whether I received any money from Xmas 1868 to October when I signed that receipt. I remember getting the £13.10 – this was for the interval – there was no division of the payments from De H. the money ran on. I was not authorized to receive any other person’s money – each person went for his own share – I was not present when Moananui & his son signed the lease to Lundon – I now remember I said I will sign my name by and bye – they said to me will it be well for us to sign the deed to Lundon. I said I will sign my name after I have had a quiet conversation with De H – I wish that De H should have the land – my reasons are first

1 De H’s lease is the one I signed first &
2 because I never had an opportunity of quietly talking the matter over with De H. I was very much dissatisfied with De H when he got on his horse & rode away when I wanted to speak to him – that is why I signed the lease to Lundon – and received Lundon’s rent – I want De Hirsch to have the land because I signed to him first – because I received £44 was one reason – I gave no part to Te Moananui & his son – I did not receive all that money in my own hands – my son received some – I did not tell my son to sign the deed to Lundon – I did not tell my son to sign the deed – his heart was his own. 224

224 Maori Land Court, Hauraki Minute Book no. 3, pp. 141-143.
Henry Haase,225 ‘one of the original holders of the Golden Gate Claim’, stated that Whitaker was not present when it was pegged out by himself and Eicke on 24 December 1868. ‘If de Hirsch had taken it up under miner’s right, he could not certainly have held it (as he stated before the select committee of the House of Assembly), because it was in their occupation at the time, and registered’. Whitaker ‘became interested in the claim or company by purchase’.226

A licensed interpreter was in Aperahama’s house when he told his son and others to sign the lease with Lundon because de Hirsch ‘had not paid the rent regularly’.227

Frederick Whitaker stated ‘there was no truth’ in de Hirsch’s statement to the parliamentary committee. When de Hirsch sought his advice, ‘he had told him that he was engaged on the other side and had charged him ten shillings for telling him so’. He had not told de Hirsch that it was no use taking miners’ rights. ‘About the middle of March’, de Hirsch had asked him for ‘the relative positions’ of his leases and those of a former Superintendent of Auckland Province, Robert Graham,228 on Tookey’s Flat (subsequently part of Grahamstown). ‘Had told him that, in his opinion, Robert Graham’s lease was of no validity, and it was for that advice that he charged him ten shillings’; he did not give advice ‘as to the mode of taking up ground on the flat’. Lundon had also sought advice about ‘his title to certain leases. Advised him that in his opinion mining leases from the natives could have no validity, they having ceded the right to mine to the Government. He had always given this advice’. When O’Keefe asked him, in September, to prepare a sub-lease of part of lot 23, he pointed out that this was not possible as a certificate of title had not been issued. He had no connection with the Golden Gate, apart from receiving ‘a retainer on the 6th February from Eicke’, for which he was paid £1 3s 6d.

Had advised Eicke the same as he had advised Lundon, of the non-validity of the lease. Had advised Lundon that the natives had a right to dispose of the south-eastern portion of lot No 24, but that Mr de Hirsch had a valid lease for the remainder. It was

226 Native Lands Court, Daily Southern Cross, 18 January 1870, p. 3.
227 Maori Land Court, Hauraki Minute Book no. 3, pp. 155-156.
quite probable that he had told de Hirsch that there was an entire misconception in regard to these leases.

His son then gave evidence, stating that de Hirsch’s evidence, as in Wellington,

was full of mis-statements. Never told the natives that de Hirsch had treated them badly, and that they ought to get three times as much rent as he paid them. Did not see any of the natives in reference to this matter before both de Hirsch’s leases were signed. Made no representations whatever to the natives to endeavour to get the blocks of land in dispute. Did not see old Te Moananui about them at all. Did not make any efforts with the natives to obtain the lease of these pieces of ground for himself and Lundon. Denied most emphatically that he had ever, directly or indirectly, made use of any knowledge obtained professionally from de Hirsch for the purpose of obtaining these leases. Did not know of the execution of the deed of the 30th June till he went down to Wellington, and there he saw it. Did not recollect doing any single transaction with de Hirsch, except the one lease of the 15th of February. Would not swear he had not, but that was his impression. Had never known him as a client. The deed in reference to lot 24 was drawn up before he (witness) came to the colony. Was aware that he had been a client of Mr Macdonald’s. To the best of his knowledge, he did not read the deed of lot 16 over to the natives, but, in the face of what had been sworn by Mr Davis and Mr de Hirsch, would not be positive in that statement.

When he first met Lundon, he was told that the leases were not valid. Whitaker stipulated that the rights of his clients and of the Golden Gate must not be ‘interfered with. Those arrangements were strictly carried out’. He obtained valid titles for those with invalid ones. The statements made by de Hirsch in Wellington ‘were totally untrue, and had done him a great deal of harm. Everybody in Wellington was talking about it at the time, and the misstatements caused him much uneasiness, and poisoned the minds of many people against him’. He had never disputed de Hirsch’s title ‘to a small part of lot 24’.

After a lands court clerk and a licensed interpreter explained how certificates were granted and that leasing land before these were issued was ‘very common’, Lundon stated that he had gone to Thames in March 1868 ‘with the intention of buying land’. He had seen ‘a board’ on lot 24 ‘offering it for lease, and directing those wishing to treat to Mr de Hirsch’. He knew that the land must have been obtained despite Mackay’s warning notice. He
had taken 40 Maori ‘with him from his farm at North Cape, and through them became acquainted with many of the Thames natives. At first did not care to buy land, in consequence of the risk he ran; but ultimately, seeing others buying, he resolved to do the same’.

Knew that de Hirsch claimed lot 24 in March, 1868. Witness asked him to see Mackay, and inquire why some persons were allowed to buy land from the natives and others were not. Mr Mackay’s answer was that if witness bought any he would not get a title, and he had therefore better not risk his money. When he became acquainted with the owners of lot 16 they wanted him to lease that land from him, as they said that de Hirsch did not pay the rent. At first he refused, but afterwards consented, and ultimately the deed was signed. Made no representations to them to induce the natives to sign the leases of either 17 or 24. First went to Whitaker because he found that he was not well up on the law of these matters, and he was besides busily engaged otherwise. Witness then went on to speak of the effect that Mr de Hirsch’s affidavits had produced in Wellington, and said the feeling was so strong against Mr Whitaker that, although he (witness) tried to engage a solicitor to look after his interests at the committee, he could not find a single one who would take up his cause.229

He had not leased land when first at Thames because certificates of title had not been issued. Had in view certain pieces of land, but did not care to treat with the natives concerning them, because of the state of the law; but, at length finding that Graham, de Hirsch, and others were getting land from the natives, he decided to do the same. Did not care about purchasing lot 16, but the natives pressed him to do so – neither did he care about 24, only it belonged to the same natives as lot 16. Te Moananui was one of the owners, and wished him to have the land. At the time he took a lease from the natives, he knew the land was leased from de Hirsch, and there were houses built upon it at the time. Did not solicit the natives in the case of either lot 24 or lot 16. Did not know what rent de Hirsch was paying, and offered no premium to the natives to let him (witness) have the ground. Did not know that he was paying a larger rent to the natives than de Hirsch, but he believed he was.

Five owners signed the lease; ‘only made them one offer, and they accepted it’. Whitaker had not told him that he had acted professionally over either block. After more legal discussion, de Hirsch was recalled, and stated that he had paid £110 for both lot 16 and 24, ‘although he could only produce receipts for £30, and about £50 was entered in his books. He had paid them nearly three years’ rent at different times, but he had seldom got receipts from them on the earlier occasions’.230

Another interpreter stated he had attested the deed leasing lot 16 to Whitaker and Lundon on 29 May. ‘Could not say whether any conversation took place between the natives and Lundon about de Hirsch’ when they signed. ‘There was some conversation about another lease, but did not recollect what it was. The name of de Hirsch was mentioned, but could not say it had any connection with lot 16’. He had also attested the deed for lot 24, but ‘did not remember whether de Hirsch’s name was mentioned on that occasion’. After repeating yet again that he could not recall whether de Hirsch’s name was mentioned, ‘The Court remarked that this witness appeared to be singularly reticent as to what really did take place’. William Joseph Young, the interpreter who had taken the deed to Mercury Bay on behalf of Whitaker, said he had received £20 ‘to pay his own expenses, and, if necessary to pay a portion of the rent in advance. At first, Tiritui objected to sign the deed, saying that he had already leased the same piece of ground to Mr de Hirsch, but after speaking with his son he signed it, saying that he had not been used fairly by de Hirsch, who had not paid him the rent due’. Young had power to offer him £40 per annum.231

Whitaker and Lundon’s counsel spent more than four hours on his final address, some of it of a highly moral and learned nature. When he finally referred to this particular case, he spoke ‘most forcibly upon every point in favour of his clients, and either leaving out or putting the best construction upon those points in the evidence which told favourably to the other side’. The affidavits of de Hirsch was

stigmatized as only made to produce an effect upon the members of the House inimical to the Messrs Whitaker, father and son, for the purpose of causing the Legislature to pass an Act legalising the transactions of de Hirsch, and others in a similar position with the natives. This object had to a certain degree been attained. The Thames Validation Bill had been passed, which had

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230 Native Lands Court, *Daily Southern Cross*, 20 January 1870, p. 5.
231 Native Lands Court, *Daily Southern Cross*, 22 January 1870, p. 5.
only been accomplished by the circulation of such gross and unfounded falsehoods as, published in the affidavits, had had the effect of completely merging all party differences into one perfect state of fusion in the interests of de Hirsch and others, whom the House looked upon as the most ill-used of individuals.

He hoped the court ‘would show what it thought of the conduct of Mr de Hirsch and others of a like character who had pursued a similar line of conduct’. He submitted seven points to be determined:

1. Did the Court make any binding promise with De Hirsch as to the certificate? 2. Did de Hirsch rely upon that promise in dealing with the land? 3. Did the Court break its ordinary practice by dating the said certificate after the date of the order? 4. Did Frederick Alexander Whitaker commit a fraud upon de Hirsch in this matter? 5. Did Whitaker and Lundon induce the natives by improper representations to sign the deeds? 6. Was the date of certificate, taken in connection with the 75th section of the Native Lands Act, of any consequence? 7. Had de Hirsch any equity at all in the matter?

Macdonald, on behalf of de Hirsch, replied ‘with the most elaborate care’, arguing that ‘no evidence had been brought forward to show that his client was not morally, equitably, and, if the Court chose, lawfully in possession of the land’. He concluded by submitting eight issues for the court to decide. Did de Hirsch lease the land? Did the Maori owners ‘fully understand the contract’? Did de Hirsch carry out his contract with them? Were Whitaker and Lundon ‘fully aware of the lease to de Hirsch at the time when they obtained the second lease?’ Had de Hirsch sub-let to people who had ‘expended large sums of money’ on their lots? Had de Hirsch ‘done anything by which he ought in all fairness and justice … forfeit his lease?’ Was it ‘justice and equity’ that Whitaker and Lundon should lease the land and its improvements after knowing about the previous lease. And had de Hirsch ‘acted bona fide in the matter, and without any intention of evading the law in any way’?

In giving judgment, the Native Assessor, Hikairo, criticized the owners for leasing for a second time and said the original lease should be valid. Judge Munro also found for de Hirsch. Whitaker and Lundon ‘were aware of the previous lease and sub leases, and ought to have seen de Hirsch before they made fresh contracts; on the contrary, they took advantage of petty

quarrels, and, when the leading native was “pouri” [dark, sad]\textsuperscript{233} at a supposed affront, induced the principal owners to sign’. Obtaining the second leases was ‘repugnant to both public and private morality’. The case made before the select committee was ‘somewhat altered, but its general character remains undamaged’.\textsuperscript{234} Fenton agreed with his colleagues, commenting that it was his ‘duty at least to observe upon the impropriety and even danger of encouraging natives to break their bargains’.\textsuperscript{235} The Court determined that ‘the applicant had made out his case, and that the certificate should be amended, and the estate be vested in Mr de Hirsch from the 23rd June, 1868’. The issue of the certificate was then delayed because defence counsel said he intended to apply for a rehearing.\textsuperscript{236}

On 20 April, Whitaker charged de Hirsch with having on four occasions, commencing with his letter to the \textit{Thames Advertiser} of July 1869, ‘falsely and maliciously published certain libellous statements’. His solicitor, William Lee Rees, who was Whitaker and Lundon’s counsel in their unsuccessful attempt to obtain the Thames land leased by Robert Graham, summarized the land dealings. He argued that, had de Hirsch’s lease of Kauaeranga No. 24 been good, all that Whitaker and Lundon could have obtained ‘would have been a reversionary interest for 21 years, after the expiry of 21 years mentioned in de Hirsch’s lease; and in the meantime they would have had had a right to draw the rent which de Hirsch was paying’. In his letter ‘de Hirsch forgot that Whitaker was not – or chose to assume that he was – his solicitor when the first deed was made’. Whitaker was only involved in preparing the deed for the small portion of No. 24, and it was ‘perfectly valid’ because a certificate of title had been issued. Rees claimed that de Hirsch’s declaration of 26 August, which he had circulated amongst parliamentarians generally as well as members of the Native Lands Committee, had such an effect upon members of the Legislature that two clauses of the Native Lands Act Amendment Act, 1869, were passed in consequence. The delay in charging him with libel was because of the death of de Hirsch’s wife plus legal technicalities.

One of the owners of the \textit{Thames Advertiser} gave evidence that de Hirsch had asked whether he would publish his reply to Whitaker’s letter. ‘My partner and myself read the letter together, to see there was nothing,

\textsuperscript{233} P.M. Ryan, \textit{The New Dictionary of Modern Maori} (Auckland, 1974), p. 35.
\textsuperscript{234} Native Lands Court, \textit{Daily Southern Cross}, 29 January 1870, p. 5.
\textsuperscript{235} Maori Land Court, Hauraki Minute Book no. 3, p. 184.
\textsuperscript{236} Native Lands Court, \textit{Daily Southern Cross}, 29 January 1870, p. 5.
as we thought, libellous in it, as we usually do with letters; and we agreed
to publish it. From that day until I received the summons in this case, I
never thought anything of the matter’. Only the signature was in de
Hirsch’s handwriting, which he knew ‘as well as my own’; he believed ‘the
letter was brought to the office by a messenger. Of course I do not know that
the person who brought it had the direct sanction of de Hirsch to his
bringing it’, a point that prompted the defence to argue that the letter
‘might have been taken off de Hirsch’s table without his sanction, even
admitting, for argument sake, that it was signed by him, as to which the
evidence was of the loosest kind’. This argument was undermined when the
owner stated that the letter had been ‘published at the request of de Hirsch –
not only at his request but at his expense, for it was published as an
advertisement, and I believe he has paid for it in settling one of our
accounts’.237 There was much legal argument about whether the affidavit
produced in court was the same as that de Hirsch presented to the
parliamentary committee.238 James Bradshaw, a Member of Parliament,
deposed that he had received a document from O’Keefe and had ‘several
conversations’ with him and de Hirsch about their charges against
Whitaker, but defence counsel again argued that ‘there was nothing to show
that defendant had caused’ this affidavit to be printed. Bradshaw said that
‘the purport’ of the conversations was that Whitaker ‘had acted very
dishonourably, and that he should be taken before a Judge of the Supreme
Court and lose his gown’. De Hirsch had never said ‘that any of the
statements in the declaration were incorrect, nor did he ever express to me
regret regarding the declaration. Mr O’Keefe once did so’. The magistrate
was concerned that O’Keefe had not been called to give evidence to prove
when he got the document, and asked whether it was ‘only by the
defendant’s silent acquiescence that the blame of publication is attempted
to be fixed on him?’ Bradshaw repeated that de Hirsch ‘never denied
making such statements’; when he spoke to him about ‘the serious charges
against Whitaker, he never toned them down, or qualified them in any way’.
O’Keeffe and de Hirsch were staying in the same hotel and were seen ‘often
together’ by Bradshaw, who commented that ‘the declaration was common
talk at Wellington. I considered it very bad conduct on the part of Whitaker,
if the charges made were true’.239

238 Police Court, *Daily Southern Cross*, 21 April 1870, p. 6, 28 April 1870, p. 5.
239 Police Court, *Daily Southern Cross*, 28 April 1870, p. 5.
On the third day of the hearing, on 6 May, after de Hirsch was ‘called three times, and not appearing’, Rees stated that he believed he had left the colony, but, ‘in the possibility of defendant not having left the colony, he would ask a warrant to be issued for his apprehension’. The defence counsel ‘had no doubt but defendant was beyond the jurisdiction of the Court, unless the vessel he sailed in was stranded upon the coast. The defendant had left the colony on a visit to Europe; and, if spared, he would return in the course of nine months or so’. Rees said de Hirsch had ‘no right’ to leave; had he known he was about to do so, ‘he would have taken means to prevent his going away’, and requested a warrant be issued for his apprehension. The magistrate responded that, as de Hirsch ‘was charged under summons, and as he was not under any bond’, there was no way his departure could have been prevented. Should he return within six years, ‘he thought a civil case could be taken up’; in the meantime, he recommended that ‘the prosecution should be withdrawn for the present’. After legal discussion, the magistrate ruled that he ‘could do nothing but dismiss the case’.240

News of de Hirsch’s ‘sudden departure’ to America spread around the colony, and, as a Taranaki newspaper commented, because of the libel case it was ‘thought that he is not likely to return to Auckland for some time’.241 He did, within the year, for in April 1871 he purchased the Sedan claim for £470 in an auction at Thames.242 No further libel suit was filed, probably because of the outcome of the petition by Lundon and Whitaker outlining the land dealings and stating that de Hirsch’s declaration to the select committee ‘was, in all its material allegations, false’. That parliament had passed a law affecting their private property rights before they had been heard was ‘without precedent in the legislation of the Imperial Parliament, or in any community where the laws of England are in force’. They considered themselves entitled to compensation, and argued that the decision of the lands court was ‘clearly erroneous’. When they applied for an Order in Council to enable them to appeal against its decision, their application was refused, leaving them with no remedy apart from an appeal to parliament. They claimed that the lands court hearing had ‘clearly established’ that de Hirsch’s evidence to the select committee was ‘false in the most important particulars’ and that he had ‘excused his conduct’ by denying he had made the declaration and charging O’Keeffe with

240 Police Court, *Daily Southern Cross*, 7 May 1870, p. 4.
242 *Daily Southern Cross*, 7 April 1871, p. 3.
‘concocting, getting printed, and distributing a fictitious declaration’ without his ‘knowledge or consent’. Having now seen the original declaration, it was clear that de Hirsch made it ‘in the form in which it was promulgated’ by O’Keeffe, and that he knew it was untrue because he swore in the lands court that they were ‘untrue, and that he never made them’. He had evaded the libel prosecution ‘by leaving the country clandestinely’, and they sought compensation. The petitions committee decided that it could ‘not recommend the prayer of the petitioners to the favourable consideration of the House’, and printed in full the damning judgments of the land court judges and assessor.

After their attempts to obtain de Hirsch’s land, Whitaker and Lundon made similar efforts to compete with other speculators, in particular Robert Graham. The facts produced in their challenge to his title to Kauaeranga No. 14 were noted as resembling ‘very closely those deposed to in the case of de Hirsch’. Once again, after Aperahama Te Reiroa sold the land to Graham, Lundon ‘wanted him to sign a deed conveying the land to him. The witness said at first he thought it was wrong to sign a second paper. He was offered £300 to sign’. Later that year both men paid money to meet debts created by competing speculators tempting Maori to sell parts of the Thames foreshore and causing Aperahama Te Reiroa and other rangatira to flee to a Hauhau settlement in Piako.

In August 1870, Whitaker and Lundon appealed to parliament for compensation because they had ‘sustained loss by decisions of the Native Lands Court, but the petitions committee did not recommend favourable consideration. Lundon justified his land dealings and criticized de Hirsch in a pamphlet published in 1871, which was put in as evidence to a select

243 ‘Petition of John Lundon and Frederick A. Whitaker’, AJHR, 1870, G-1, pp. 3-5.
244 AJHR, 1870, G-1, pp. 5-14.
245 For example, Supreme Court, Daily Southern Cross, 7 January 1870, p. 5, 14 May 1870, p. 4, 18 May 1870, p. 4, 19 May 1870, p. 6, 2 June 1870, p. 4.
246 Native Lands Court, Daily Southern Cross, 8 February 1870, p. 4.
248 Petition of Frederick Alexander Whitaker and John Lundon, Public Petitions Committee, Legislative Department, LE 1, 1870/13, ANZ-W.
committee considering their claims.\textsuperscript{249} His arguments did not impress his critics.\textsuperscript{250} Having returned from Europe at the beginning of 1871, de Hirsch wrote a ‘Reply’ on 31 August, produced to explain his case to parliamentarians who were considering the issue.\textsuperscript{251} On its title page were two quotations from Shakespeare’s \textit{Merchant of Venice}:

> “I thank thee, Jew, for teaching me that word.”
>
> “What mercy can you render him, Antonio?
> - A halter gratis; nothing else, for God’s sake!”\textsuperscript{252}

After being told of Whitaker and Lundon’s petition, he had waited until obtaining a copy of their pamphlet justifying it before responding; as ‘the greatest care’ had been ‘taken to prevent its being seen by those in a position to refute it’, he had not received a copy until 26 August.

After carefully perusing it, I cannot be angry with them, for I am too well satisfied, that by their publication my enemies have delivered themselves into my hands. I refrain from characterizing it in the language it deserves, and forbear to retort on my opponents the scurrilous expressions with which they have maligned me. I will not resort to any insinuations reflecting on private character or antecedents. I leave my readers to say whether I or Messrs Whitaker and Lundon ought to be stigmatized by the choice epithets with which their pamphlet sparkles.\textsuperscript{253}

The reason they tried to keep their publication secret (by not letting copies be seen in Auckland) was ‘to poison the minds’ of parliamentarians against him. They branded me as a perjured fiend, and wished this to do its pernicious work effectually, before I could be heard in my defence. In fact, these highly honorable gentlemen have stabbed my in the dark, and yet the approach Parliament with clean hands, their only object being truth, fair

\textsuperscript{249} John Lundon, \textit{The Case of Messrs Lundon & Whitaker: Narrative of facts connected therewith, and consideration of the law thereon} (Auckland, 1871).

\textsuperscript{250} Lundon, with marginal notes by Hugh Francis Carleton, Alexander Turnbull Library; editorial, \textit{Evening Post}, 18 October 1871, p. 2.

\textsuperscript{251} Mr De Hirsch’s Reply to the Case of Messrs Lundon and Whitaker and the Narrative of facts connected therewith (Auckland 1871), pp. 3, 10, 20, 25.

\textsuperscript{252} Mr De Hirsch’s Reply, title page.

\textsuperscript{253} Mr De Hirsch’s Reply, pp. 3-4.
inquiry, and justice!' Rather than responding to every accusation, ‘for it scarcely contains a single paragraph not open to grave exception’, he replied only to the most important points, which he did in detail, starting with the fact that Mackay had ‘approved of and sanctioned’ Graham and himself acquiring their leases. He sarcastically noted that his opponents ‘modestly’ sought £6,000 in compensation, and denied their charge of ‘insatiate greed’ by pointing out that the land was leased before it was known whether the goldfield would be payable; but he did admit that the law at the time ‘was unquestionably on the side of Lundon and Whitaker’.

As their charge that parliament had been ‘cruelly misled by statements which will afterwards appear to have been utterly without foundation’ was intended ‘absolutely to deceive’, he provided details of how parliament and the Supreme Court had acted and repeated that their ‘wilful falsehoods’ exemplified their ‘mendacity’. Their statements about the statutory declaration bearing his signature circulated at the time of the select committee hearing contained ‘the most unscrupulous invectives’ designed to show him to be ‘a perjured villain’ who deprived them of ‘their just rights’.

With regard to these bitter criminations, I frankly admit they may be said to rest on a grain of truth, but this particle is so cleverly magnified, so disingenuously placed in false lights that it is necessary for me to show, not only how small it is, but also that the obnoxious allegation was not in the remotest degree necessary to make out my case, which, without it, stands complete and irrefrangible. I absolutely deny that I am in any way responsible for this printed declaration, or that I have been guilty of any conduct in connection with it dishonoring to a gentleman, and will show that the House could not have been influenced to any conceivable extent, if influenced at all, by this printed declaration.

Which he proceeded to do by citing his evidence, given under oath, to the lands court. Responding to the charge that he had sought to

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254 *Mr De Hirsch’s Reply*, p. 4.
255 *Mr De Hirsch’s Reply*, pp. 4-5.
256 *Mr De Hirsch’s Reply*, pp. 6-7.
257 *Mr De Hirsch’s Reply*, pp. 7-10.
deliberately destroy Whitaker’s professional reputation, he commented ‘that few, after comparing it with my evidence above set forth, will disagree with me in saying, that if this professional man’s reputation and prospects in life were not blasted before, they ought to be most effectually blasted now’.259 Their claim that he had not made alterations to the publication was an example of ‘what miserable and disreputable shifts’ they had resorted to in supporting their case.260 He then showed how parliamentarians were in no way influenced by it.261 As for Whitaker, he had condemned himself when criticizing any solicitor who acted in breach of faith to a client: ‘With the gratitude of Gratiano to Shylock, I heartily thank my opponents for these forcible and expressive words. I adopt them in their entirety’, because Whitaker’s actions damned him.262 As for the land court hearing, ‘Justice was done, and that is their grievance’.263

Turning to another topic, de Hirsch stated that the remarks made by parliamentarians, ‘as reported in Hansard for 1870, have given me more pain than all the abuse that has been lavished on me by Lundon and Whitaker’, a curious statement because no such remarks were reported in either Hansard or newspapers. In particular, he was described as having ‘bolted from the Colony to escape the inevitable result of a criminal information for libel’ and had departed ‘suddenly, leaving behind me many unsettled claims’; and there were ‘other remarks of a like nature’.264

The facts are as follows:- I gave my evidence before the Committee of the House on the 1st day of September, 1870. The Native Lands Court sat under clauses 8 and 9 of the Act of 1869, in the month of January, 1870, and I there repeated upon oath substantially what I had stated in Wellington. That Court having re-established my titles to the Grahamstown properties, I did, without any concealment, make arrangements for leaving the Colony for a time, and through the assistance of William Aitken, Esq, the well known Land Agent,265 I borrowed from the Honorable James Williamson [another Superintendent]266 a very

259 Mr De Hirsch’s Reply, p. 13.
261 Mr De Hirsch’s Reply, pp. 15-18.
262 Mr De Hirsch’s Reply, pp. 18-19, 22.
263 Mr De Hirsch’s Reply, pp. 20-21.
264 Mr De Hirsch’s Reply, p. 23.
265 See New Zealand Herald, 2 July 1901, p. 5.
266 See New Zealand Herald, 26 March 1888, p. 9.
large sum of money, which I bound myself to repay in London in the month of October, of the same year. Messrs Whitaker and Russell were the solicitors for Mr Williamson in preparing the necessary deeds connected with this transaction; it was openly spoken of by all parties, principals, agents and solicitors, in fact by all who had any connection with me, that I was going home forthwith. My business with Mr Williamson was closed on the 11th of April, on which date the deeds were signed. Having settled all my accounts as far as I could remember them, and leaving ample funds in my attorney’s hands to pay any other outstanding claims that might turn up, I took my passage for England by the steamer for San Francisco, advertised to leave Auckland on the 4th of May. After I had taken my passage, I was served with a summons to appear at the Police Court to answer a charge of libel made against me by F.A. Whitaker, and alleged to have been committed in July and August, nine months before the commencement of such proceedings. The case came on for hearing on the 20th of April, when it was partly heard and was adjourned for a week. On the 27th of April the case was again gone into, but at the request of the prosecution it was adjourned until the 6th of May, notwithstanding the strenuous opposition offered by my counsel, who was desirous of having it gone on with and concluded at once.

It will thus be seen that I was placed in a very embarrassing position, for it was a matter of several thousand pounds importance to me that I should leave for Europe by the steamer on the 4th of May. If I waited until the 6th of May to see the case out, I would lose my passage by the steamer on the 4th of May, and if I went away I was in doubt as to what the consequence might be. I consulted my solicitors, Messrs Hesketh & Richmond, and they advised me that as my immediate departure for Europe was of such great importance, the best course was to go away. I acted on their advice, and left by the steamer on the 4th of May. I have not heard that any step was taken to prevent my going away.

In the month of March last, after an absence of ten months, I returned to Auckland, and since my return the libel proceedings have not been revived, nor have I heard a single word either from Lundon or Whitaker indicating any intention on their part of taking any proceedings against me.

On these facts it is absurd to say that I “bolted” to escape the result of the prosecution. The fact of my speedy return should be sufficient to satisfy my strongest opponent that the remarks make in the House were quite unmerited, and, with this reply, should attest that my only feelings towards Lundon and Whitaker and their prosecutions, are contempt and defiance.

In the course of this reply I have on several points been constrained through force of circumstances to place my own
unsupported statements in direct opposition to those of Lundon and Whitaker, and even to those of honorable members, and for this reason I would gladly welcome any steps the Legislature may deem it advisable to take for the further investigation of the matter. I regret I cannot attend at Wellington this Session, but I would, with due humility, suggest that if any such steps are taken, the proper course would be to appoint a Commission to take evidence on the spot where alone the whole truth can be elicited and full justice done to all.\textsuperscript{267}

To assist any investigation, he appended copies of leases and plans.\textsuperscript{268}

After hearings in September and October that year, at which Lundon and Whitaker gave evidence but de Hirsch did not, a select committee recommended that the government give ‘favorable consideration’ to Lundon and Whitaker’s claim for compensation amounting to £1,500 (they claimed expenses of £1,544 6s 8d). It also resolved that de Hirsch’s statement that Whitaker had prepared a deed for him was ‘devoid of truth’.\textsuperscript{269} The Wellington \textit{Evening Post} ‘expected as much, for reasons that it is unnecessary to give’, and attacked the recommendation because ‘public money is at stake’. It summarized the facts, ‘stripped of the enormous mass of rubbish with which it has been sought to overlay them’, and took issue with Lundon’s pamphlet, which had been presented as evidence to the committee:

It is replete with misstatement from beginning to end. The main point of the petitioners is that they had an unassailable case at law, but that it was destroyed by the new clauses of the Bill. This is absolutely and positively untrue. Had the new clauses not been passed, petitioners were still out of Court. The Supreme Court could not have decided in their favor, in the teeth of the Constitution Act. Before they can prefer a claim, they must upset Judge Fenton’s law. Now this law has been approved by an \textit{obiter dictum} of the Chief Judge of the Supreme Court; we are told that the Attorney-General coincides in opinion. Petitioners never had the law of the case; they do not pretend to have the equities; the two new clauses never harmed them, for the Court gave it against

\textsuperscript{267} \textit{Mr De Hirsch’s Reply}, pp. 23-25.
\textsuperscript{268} \textit{Mr De Hirsch’s Reply}, pp. 26-29.
\textsuperscript{269} ‘Proceedings of the Select Committee appointed by the House of Representatives on the Petition of Messrs Lundon and Whitaker’, \textit{AJHR}, 1871, H-4; recommendation recorded on p. 6.
them, independently of these clauses. Upon what, then, does their claim to public money rest?

A labored attempt is made, in the pamphlet, to raise a false issue, viz, the alleged unprofessional conduct of Mr F.A. Whitaker, said to be based on a misstatement, in affidavit, by Mr de Hirsch. This is a red herring across the scent, and nothing more. The endeavour (a complete failure) is to show that the new clauses in the Act were framed by the Committee on the Bill, because of their indignation at the conduct alleged. Now, the fact is that the Committee knew nothing whatever about the matter. It is not true that, as alleged in the pamphlet, Mr de Hirsch was examined before the Committee; and it was proved before the Compensation Committee, by comparison of dates, that his evidence before the Petitions Committee was not given until after the clauses had been reported to the House. More than this: the Chairman of the Committee, after the report had been brought up, said in the House that he had heard something of unprofessional conduct, he did not know by whom, and had taken care not to enquire. Be it also remembered, though it has nothing to do with the clauses, that although Mr [F.] A. Whitaker is cleared, professionally, concerning the deed of 30th June 1868, he is not cleared concerning the deed produced before the Committee in evidence – namely, that of the 15th Feb., 1869.

The whole thing lies in a nutshell. Petitioners, discovering a flaw in the original lease, “jump” another man’s claim. They obtain a second lease for themselves, but mistake the law, and leave a flaw in the second lease as well. For everybody has forgotten clause 73 of the Constitution Act. They took their stand in an act of spoliation upon the letter of their law; and to their dismay, found that they had no law. They were not injured, as they allege, by retro-active legislation – i.e., by the two new clauses; for they were out of Court whether the clauses were passed or not. They could not have won in the Supreme Court, or in any Court. Yet, upon the pretext of these clauses having been passed, they now seek a grant of public money.

If commented that, ‘out of the many jobs we have known attempted, this, if our statement of the case be true, is the rankest’. The report was ‘in direct contradiction to the evidence’, which was incomplete, for it did not include either of the pamphlets; and whereas de Hirsch’s was not ‘entirely satisfactory’, Whitaker’s ‘contained many statements most damaging to his case’. The ‘most remarkable’ aspect of the committee’s decision was that the petitioners had a legal title to the land before the 1869 Act was passed whereas the court had declared that they ‘had none’.270

270 Editorial, Evening Post, 18 October 1871, p. 2.
As another newspaper supported the argument that Whitaker and Lundon had legal title to the land they claimed, the *Evening Post* again explained the position, for it did not want public money given to them. It stated that in 1869 they ‘were supported by the whole force of the Government. Nevertheless, so strongly did the House feel, that on the final division the Government lost by 32 votes to 15’. When the petitions appealed and a select committee was appointed, only their side was represented by counsel, apart from one lawyer presenting de Hirsch’s evidence, ‘sent down from Auckland’. Important witnesses were not called, important questions were not asked, and it feared the government would pay the money rather than have the legal issue considered by the Appeal Court, as probably most parliamentarians desired.271

In the event, legislators were reluctant to over-rule a court decision, instead introducing the Lundon and Whitaker Compensation Bill to enable a judge to determine whether Lundon and Whitaker’s rights had been affected, and, if so, what compensation should be paid.272 Both houses of parliament agreed to send the matter to the Appeal Court.273 In June 1872 it determined that de Hirsch’s and Graham’s leases ‘were valid, and that being so it follows that John Lundon and Frederick Whitaker possessed no rights to be affected by the passing of the Native Lands Act, and the Court sustains the judgment of the court below’.274 The day after reporting this decision, the *Evening Post* devoted its editorial to this case:

> The *cause celebre* of Whitaker and Lundon, which in one shape or another, has been pretty constantly before the public for the last two years, having been finally disposed of by the highest judicial tribunal in the Colony, all necessity for reticence in allusion to it has ceased. We have, therefore, no hesitation in affirming that the decision of the Court of Appeal is an eminently just one, and will afford general satisfaction.

It described their claims as ‘preposterously impudent’, and felt that there could ‘be only one opinion on this matter, that it has been all through a flagrant attempt at a big job. The judges have decided that the claimants never had a shadow of a case either in law or equity, and their opinion has

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272 *NZPD*, vol. 11, pp. 808-818 (6 November 1871).
273 *NZPD*, vol. 11, p. 818 (6 November 1871), p. 971 (10 November 1871).
274 *Evening Post*, 14 June 1872, p. 2.
been long entertained by every unbiased man in the colony’, yet the
government had done all it could to assist Whitaker and Lundon ‘dip to the
tune of many thousand pounds into the public purse’. It described the case
as ‘discreditable to the parties immediately interested, and infinitely more
so to the Government which lent them its aid and countenance’. And it
inspired ‘renewed confidence to see that no matter how much jobbery and
log-rolling may prevail in the Cabinet and the Assembly, where public
interests are ruthlessly sacrificed to party ends, there is yet a tribunal free
from these debasing influences’.275

AFTER THAMES

After visiting Sydney in February 1872, the last record of de Hirsch
living in New Zealand was in that April.276 In 1888, it was reported that, on
the death of his father, he ‘returned to Germany, and became head of the
large banking business, whose head quarters are at Munich’.277 As his
father had died in 1885,278 this report was wildly inaccurate; and de Hirsch
had left for Paris.279 In 1896 it was reported that for a time he supervised
railway contracts in Austria.280 In July 1873, he represented his brother at
the opening of Maurice’s railway between Constantinople and Bellova, and
was decorated by the Sultan.281 In 1880, he married Zenaide Poliakov,
daughter of Samuel, a prominent Russian Jewish speculator.282 After his
death he was described as ‘a prominent figure in the financial world of
Paris, where he had a large following, and where he did a good deal of

276 New Zealand Herald, 8 February 1872, p. 2; Daily Southern Cross, 1 April 1872, p. 2;
James de Hirsch to Superintendent, Auckland Province, 17 April 1872, Customs
Department, BBAO 5544/1a, 1872/214, ANZ-A.
278 Grunwald, Turkenhirsch, p. 12.
279 Editorial, Thames Advertiser, 19 January 1895, p. 2; Te Aroha Times and
Waiorongomai Advocate, 4 July 1896, p. 4.
280 Te Aroha Times and Waiorongomai Advocate, 4 July 1896, p. 4.
281 Grunwald, Turkenhirsch, p. 41.
282 Grunwald, Turkenhirsch, p. 44.
business with New Zealand mines’. He became one of the main shareholders in CORFRADOR.

Being an ‘eminent financier’, he was believed to be very wealthy. In 1891, the Observer made brief mention of ‘Baron de Hirsch, a millionaire chum of the Prince of Wales, [who] used to be “on the diggings” at Thames, when he was great on tobacco and long beers. He made money out of the Golden Crown mine, then went to Europe and made a tremendous pile’, which it estimated as being worth from twenty to thirty million pounds. This estimate of his wealth and of his being a ‘chum’ of the future Edward VII muddled him with his brother.

De Hirsch retained property in Thames, and in 1875 his agent, Burra, obtained a reduction in the valuation of his reduction works in Owen Street from £100 to £75. He was still enrolled for the Thames electorate in 1879 because he owned an allotment and hotel in Owen Street. In February 1880, Burra obtained a reduction on the valuation of his allotment and building in Haven Street from £40 to £30 and of his house and allotment at ‘Beach’ from £18 to £16. In June, de Hirsch’s agent told the council that the lease under which the ground on which ‘Sebastopol House’ was erected was still current. In 1882, the value of his Thames properties was assessed as £1,830.

He remained so well known that a mining company floated in Auckland during the 1890s boom was known as the De Hirsch Company. In May 1895, the Thames Advertiser cited an ‘old Thamesite’ living in Paris, meaning de Hirsch, warning ‘against our sending Home for exploitation anything but ventures that have behind them at least a reasonable hope of becoming steady gold producers’. He had been ‘willing to find £150,000

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283 New Zealand Herald, 4 February 1897, p. 6.
284 Turrell with van Helten, p. 189.
286 Observer, 14 March 1891, p. 4.
287 Observer, 1 August 1891, p. 4.
288 Borough Council, Thames Star, 29 October 1875, p. 2.
289 Thames Electoral Roll 1879, p. 20.
290 Assessment Court, Thames Star, 25 February 1880, p. 2.
292 Return of the Freeholders of New Zealand ... (Wellington, 1884), p. D 18.
293 Thames Star, 3 August 1897, p. 4.
294 Editorial, Thames Advertiser, 27 May 1895, p. 2.
for prospecting the Thames deep levels if the Thames people had been smart enough to afford him opportunity', the *Observer* noted. Before offering to provide this capital, he had obtained full details about the proposals. In February 1896, he applied for a special claim at Thames, but withdrew his application. In 1896 it was reported that the Ziman Syndicate operating in the South Island included de Hirsch and 'one of the Rothschilds'. Described as the founder of the New Zealand Exploration Company, he was its first chairman of directors, taking ‘an active interest’ in its affairs ‘from its inception’.

**JULES GEORGE WILSON**

When Jules George Wilson died suddenly far from his home, those who filled in his death certificate did not know the names of his parents nor whether he was married and had children. It was known that he had been born in 1835 in Bordeaux, France, and that he had lived in New Zealand for 30 years. He did have children, whose descendants understood that his original surname was Gerard but did not know why he had changed it. After his death, the *Cyclopedia of New Zealand* provided a brief biography:

> His education was carried on till he was fourteen years of age at Nancy, and was continued at the University of Ohio, United States of America. After completing his education he went into his uncle’s warehouse in New Orleans, but it was not long before the gold fever seized him. On the outbreak of the “rush” in Australia he went to Rockhampton, Queensland, and visited all the goldfields of importance on that continent. Mr Wilson came to New Zealand in 1861, and joined in the Dunstan “rush,” Otago; thence he gravitated northwards through the various goldfields of the Colony till, reaching the Thames, he took up the business of sharebroker to the “Crown” and “Caledonian” Mines. In

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295 *Observer*, 30 March 1895, p. 5.

296 *New Zealand Herald*, 3 July 1896, p. 5.

297 *Warden’s Court, Thames Star*, 4 February 1896, p. 2.

298 *Thames Star*, 19 March 1896, p. 3.


300 For photograph, see *Cyclopedia of New Zealand*, vol. 2, p. 471.


302 Elizabeth Wilson [great-granddaughter] to Philip Hart, 9 October 2013, email.
conjunction with the late Baron de Hirsch, Mr Wilson erected the first store at Grahamstown, and was largely instrumental in the development of the goldfields in New Zealand.\textsuperscript{303}

According to an obituary, ‘he served as lieutenant under [Ferdinand] Von Tempsky, and was wounded at the engagement at Pukerimu’.\textsuperscript{304} It exaggerated his rank, for he was a corporal and then colour sergeant in the Third Waikato Militia, which he had joined in Auckland on 22 April 1864, 11 days after de Hirsch was discharged; he gave his birthplace as Nantes.\textsuperscript{305} Another obituary stated he was a storekeeper at Cambridge in 1865 before moving to Thames when the goldfield opened and becoming involved in mining in partnership with de Hirsch. Both men were original shareholders of the Golden Crown mine and the Golden Crown steamer operating between Thames and Auckland, and they were partners in building a large reduction works.\textsuperscript{306} With another man, he carried on de Hirsch’s commission agency.\textsuperscript{307} In 1869 he had eight of the 192 shares, double de Hirsch’s holding, in the Golden Crown Company.\textsuperscript{308} In August 1869 he acquired 400 of the 10,000 shares in the Silver Cloud Company, and jointly with de Hirsch held 100 of the 22,400 shares in the Shotover No. 1 Company.\textsuperscript{309} In November he had 200 of the 6,300 shares in the Bonne Esperance Company, at Puriri; de Hirsch and Burra were also shareholders.\textsuperscript{310} Before March 1870 life de Hirsch he became a partner in the Monte Christo Quartz Smelting Company.\textsuperscript{311} In June 1871, like de Hirsch, was a shareholder in the Brighton Gold Mining and Quartz Crushing Company, having 200 of the 5,000 shares.\textsuperscript{312} Also in that month, with de Hirsch he acquired shares in a Tokatea company, the Harbour

\textsuperscript{303} \textit{Cyclopedia of New Zealand}, vol. 2, p. 471.
\textsuperscript{304} \textit{Bay of Plenty Times}, 3 July 1896, p. 2.
\textsuperscript{305} Entry for George Wilson, no. 1550, Palmer, CD-Rom.
\textsuperscript{306} \textit{Te Aroha Times and Waiorongomai Advocate}, 4 July 1896, p. 4; de Hirsch confirmed their partnership in the reduction works in Supreme Court, \textit{Daily Southern Cross}, 6 January 1870, p. 4.
\textsuperscript{307} \textit{Poverty Bay Herald}, 18 June 1891, p. 4.
\textsuperscript{308} Advertisement, \textit{Daily Southern Cross}, 5 April 1869, p. 1.
\textsuperscript{309} Advertisements, \textit{Daily Southern Cross}, 12 August 1869, p. 3, 13 August 1869, p. 3.
\textsuperscript{310} Advertisement, \textit{Daily Southern Cross}, 10 November 1869, p. 6.
\textsuperscript{311} District Court, \textit{New Zealand Herald}, 15 March 1870, p. 6.
\textsuperscript{312} Advertisement, \textit{Daily Southern Cross}, 2 June 1871, p. 4.
View; he had 113 of the 4,800 shares.\textsuperscript{313} In December 1871, along with de Hirsch he was elected a director of the City of Dunedin Company.\textsuperscript{314} Two years later, the Sir Walter Scott Company sued him for £14 18s, presumably for calls.\textsuperscript{315} In 1878 he held 500 of the 10,000 shares in the Triumph Company of Coromandel, but six months later was warned that these would be forfeited if the first call remained unpaid.\textsuperscript{316}

Wilson was naturalized on the same date in September 1869 as de Hirsch, giving his occupation as gold miner.\textsuperscript{317} In December, he gave his occupation as gentleman when, at the age of 35, he married Huriana Taukepu, aged 22; although both lived at Thames, they married in the Auckland Registry Office.\textsuperscript{318} That she was not a leading member of her hapu is suggested by the fact that she was not recorded in the Maori Land Court as owning any land. She died in October 1872 at their home at Lake Takapuna, Auckland, from tubercular meningitis.\textsuperscript{319} Their son George was born in 1870, but when she died no children were recorded on her death certificate,\textsuperscript{320} so he must have died without his death being registered.

Eight months later, by which time he had been living in Auckland for four years, he married Lavinia Cowell,\textsuperscript{321} aged 22.\textsuperscript{322} The sixth child of John Vittoria Cowell, she had been born on 8 November 1851.\textsuperscript{323} Her grandfather, John Cowell, and his second wife, Mary Ann (also known as

\begin{footnotes}
\item[{\textsuperscript{313}}] Advertisement, \textit{Daily Southern Cross}, 30 June 1871, p. 4.
\item[{\textsuperscript{314}}] \textit{Daily Southern Cross}, 25 December 1871, p. 3.
\item[{\textsuperscript{315}}] Magistrate’s Court, \textit{Daily Southern Cross}, 7 June 1873, p. 3.
\item[{\textsuperscript{316}}] Advertisements, \textit{New Zealand Herald}, 7 August 1878, p. 2, 17 April 1879, p. 3.
\item[{\textsuperscript{317}}] \textit{New Zealand Gazette}, 2 September 1869, p. 450.
\item[{\textsuperscript{318}}] Notices of Intentions to Marry 1869, Births Deaths and Marriages, BDM 20/14, folio 146, no. 4082, ANZ-W; Marriage Certificate of Jules George Wilson, 2 December 1869, 1869/4314, BDM.
\item[{\textsuperscript{319}}] Death Certificate of Huriana Wilson, 21 October 1872, 1872/3153, BDM.
\item[{\textsuperscript{320}}] Birth Certificate of George Wilson, 1870/12638; Death Certificate of Huriana Wilson, 21 October 1872, 1872/3153, BDM.
\item[{\textsuperscript{321}}] For photograph of her with her husband ‘Julian’ and one son, see Gwen P. Howe and George Howe, \textit{From Kent to Kawhia: The Cowell story} (Auckland, 1983), p. 29.
\item[{\textsuperscript{322}}] Notices of Intentions to Marry 1873, Births Deaths and Marriages, BDM 20/18, folio 98, no. 5194, ANZ-W [recorded as Julius]; Marriage Certificate of Jules George Wilson and Lavinia Cowell, 17 June 1873, 1873/5974, BDM; Supreme Court, \textit{New Zealand Herald}, 22 October 1872, p. 3; \textit{New Zealand Gazette}, 30 January 1873, p. 74.
\item[{\textsuperscript{323}}] Howe and Howe, p. 26.
\end{footnotes}
Martha) Risdon, née Howe, had arrived in New Zealand in 1822 with the Rev John Butler of the Church Missionary Society. A twine-spinner, sent to New Zealand to test flax for rope making, John was also a lay missionary, but was ‘treated shamefully by Samuel Marsden who refused him money to maintain himself and his wife and son.324 ‘Compelled to traffic guns to the Maori to survive’, he was dismissed by Marsden and returned to Sydney in 1823.325 Another version of his life states that he voluntarily ceased to be involved with the Society in September 1823.326 Six years later he returned, to New Zealand and became a trader at Kawhia, where he

engaged in gun trading with Waikato tribesmen without constraint and enjoyed the patronage of the Ngati Mahuta chief Kiwi. Following the death of his European wife Ann in 1832, he followed the example of his fellow traders at Kawhia and took a Maori wife, Rewa of Ngati Hikairo. From this time he increasingly identified himself as Maori. Known among the tribes as Kaora, he supplied his people with muskets, powder, clothes, tools, and tobacco in exchange for port, potatoes, and flax.327

His second wife was closely related to Potatau, the first Maori King.328 After being widowed for the third time in 1838, he was ‘cared for by Tawariki, who was possibly a common law wife, until his death in October 1839’.329

Her father John Vittoria Cowell, born in Kent in 1813,330 became fluent in Maori and by the age of 16 ‘served as trading master on several ships plying between Australia and New Zealand’. His reputation was seriously damaged by his role in conveying Te Rauparaha and a hundred of

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325 Bentley, p. 129; ancestry.co.uk.

326 Howe and Howe, p. 12.

327 Evidence of John Vittoria Cowell, Native Lands Court, *Daily Southern Cross*, 26 October 1868, p. 5; Bentley, p. 130.

328 Williams, [p. 6].

329 Williams, [p. 8].

330 Death Certificate of John Vittoria Cowell, 12 July 1880, 1880/1617, BDM; ancestry.co.uk.
his warriors on the ‘Elizabeth’ to Banks Peninsula in 1830, leading to a massacre; reputedly he later ‘bitterly regretted his actions’. In 1831 he acquired 5,000 acres near Kawhia harbour, and after his father died a meeting of rangatira granted him 40,000 acres at Te Rore. Like his father, he became a Pakeha Maori, marrying, under Maori custom, Keke Tomohe or Keke Tumoke of Ngati Apakura and Ngati Koroki in about 1840. She was a daughter of Tumohe Taranahia, a rangatira of Te Pakuru pa, and his wife Pinenga, and half-sister of a Rangiaowhia rangatira, Wiremu Toetoe Tomohe. In August 1845, when a Methodist missionary christened and then married her to Cowell, she took the name Martha Risdon, the name of her husband’s stepmother; she was known variously as Martha Cowell, Mata Kaora, and Martha Risdon. None of the births of their children were registered; although descendants knew of seven being born, in 1880 a newspaper recorded only one son and three daughters, presumably because the others had died. John Vittoria would die in 1880, aged 67, and when his widow died in 1896, aged 73, she was described as ‘the last and oldest of the Waikohika and Apakura tribes’. Their children inherited interests in 23 blocks of land, mostly in the King Country and Kawhia districts, and their son John was a leading spokesman for Ngati Hikairo in land court proceedings. In May 1882, when there was debate amongst Maori about completing the road to Kawhia, as Tawhiao wanted, it was reported that ‘Mrs Jules Wilson, the lady who opened the land in the

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332 Bentley, p. 131.
333 Williams, [pp. 2, 4, 9]; Howe and Howe, pp. 25-29: for her whakapapa, see pp. 25, 27.
334 Marriage Certificate of John Vittoria Cowell, 16 August 1845, 1845/13, BDM; Williams, [pp. 8, 9].
335 New Zealand Herald, 2 August 1880, p. 5; Howe and Howe, p. 26.
337 For example, Waikato Times, Alexandra Correspondent, 30 September 1886, p. 2. 5 October 1886, pp. 2, 5; Auckland Star, 26 November 1886, p. 4; New Zealand Herald, Native Lands Court, 5 October 1886, p. 5. 24 October 1888, p. 5; H.E. Gaze, ‘In the King Country’, Star, 27 February 1902, p. 4; for details of the land blocks, see Maori Land Court database.
vicinity of the harbour, but who is not in a position to throw open the country’, was attending a meeting at Whatiwhatihoe to decide the issue.338

When her half-brother, Wiremu Toetoe, of the Ngati Pakura hapu, died in 1881, he was recorded as having been one of the two rangatira taken to Europe by ‘Dr Hochstetter, of the Austrian scientific exploration’. Toetoe was introduced to several sovereigns in Europe, and, when in England, to the Queen. On his return he was dispatched by the Government to Waikato, on the breaking out of the war, to endeavour to negotiate terms of peace with the rebels, but joined his people. Toetoe individually was a friend to Europeans. He was at one time a man of considerable influence and means.339

As Cowell openly supported his Maori relatives against the government’s attack on Waikato, his Te Rore property was confiscated and a portion was granted to a quartermaster in the Waikato Militia.340
This was the background of Wilson’s second wife, whose parents he had fought against during the Waikato War. They were to have seven children.341 Their marital harmony is indicated in the memorial she had inscribed on his headstone after his sudden death after nearly 27 years of marriage:

They say I may have no warning, I may not even hear the rustling of his garment as he softly draweth near. Suddenly, in a moment, upon my ear may fall the summons to leave the homestead to answer the master’s call. Erected by his loving wife Lavinia Wilson.342

She would die, aged 68, in 1919, at her home, ‘Aroha’, Waterview, Avondale, Auckland.343 Her estate was valued as being under £2,300.344

338 Waikato Times, 6 May 1882, p. 2.
339 New Zealand Herald, 22 February 1881, p. 5.
340 Williams, [p. 2].
341 Cyclopedia of New Zealand, vol. 2, p. 471; their names are listed in Howe and Howe, p. 29.
342 Purewa Cemetery, Headstone of Jules George Wilson, Plot no. DO 13181, New Zealand Society of Genealogists, Cemetery Records [microfische].
344 Probates, BBAE 1569/13862, ANZ-A.
Wilson’s marriages meant he became a fluent Maori speaker, and in 1881, when living in Cambridge, he was licensed as an interpreter.\textsuperscript{345}

Although ‘at one time a considerable holder in the Golden Crown ... the crash came and caught him’.\textsuperscript{346} In 1876, when running a hotel at Alexandra, the future Pirongia, he was in financial difficulties, having to sue in February for £43 14s 3d, the value of a promissory note, and borrow £264 using his stock-in-trade, furniture, and hotel effects as security.\textsuperscript{347} Forc ed into bankruptcy in December, his debts, mostly to merchants, amounted to £470 0s 1d, while his assets consisted of 12 acres in Cambridge West valued at £90 and book debts of £113 18s 3d.\textsuperscript{348} The following February, his creditors unanimously agreed to his discharge.\textsuperscript{349}

In December 1877, the license for the Provincial Hotel in Princes Street, Auckland, was transferred to him.\textsuperscript{350} After it was transferred to another publican in the following September, he taught French, and possibly other languages, for nine years.\textsuperscript{351}

\textbf{THE THAMES DEEP LEVELS}

After he left Thames, Wilson ‘retained a deep interest in mining, and was a staunch advocate for prospecting the deep levels’.\textsuperscript{352} Such prospecting was necessary because the upper levels were largely worked out. The leading proponent of this project was Roderick McDonald Scott, a leading Thames legal manager.\textsuperscript{353} From 1892 until 1895 Scott attempted to raise capital to dewater and develop the low levels, unsuccessfully appealing for

\textsuperscript{345} Waikato Times, 21 May 1881, p. 2.
\textsuperscript{346} Thames Advertiser, 19 January 1895, p. 2.
\textsuperscript{347} Magistrate’s Court, Daily Southern Cross, 12 February 1876, p. 5; Mercantile Gazette of New Zealand, 14 October 1876, p. 121.
\textsuperscript{348} Bankruptcy Files, BCDG A881, 23790/1d, ANZ-A.
\textsuperscript{349} Bankruptcy Files, BCDG A881, 23790/1d, ANZ-A; advertisement, Auckland Star, 27 February 1877, p. 3.
\textsuperscript{350} Licensing Court, New Zealand Herald, 5 December 1877, p. 3; Mercantile Gazette of New Zealand, 8 December 1877, p. 143.
\textsuperscript{351} New Zealand Herald, Licensing Court, 4 September 1878, p. 3, 3 July 1896, p. 5; Thames Advertiser, 19 January 1895, p. 2; Auckland Star, 3 July 1896, p. 1.
\textsuperscript{352} Auckland Weekly News, 11 July 1896, p. 20.
\textsuperscript{353} See Thames Star, 14 June 1905, p. 2; New Zealand Herald, 15 June 1905, p. 5; Observer, 17 June 1905, p. 17.
government assistance. In early 1895 there were several proposals, and one involving English capital was finally adopted. Before then, on 15 January, the *Thames Advertiser* reported that ‘a representative of French capitalists’ had met Scott, ‘asking him for information, and stating that his principals were prepared to invest money in the venture. For some time past’ he had posted the *New Zealand Herald* ‘regularly to a Paris firm, who had been watching the various proposals detailed in the columns of that paper, and the returns from the goldfields’. Four days later, it published an editorial:

**THE DEEP LEVEL AGAIN!**

The old proverb that “it never rains but it pours,” is likely to have a fine illustration in the way the foreign capitalists are buzzing round about this deep level business. Here and in Auckland the project has been thought of and discussed for many years, but for want of capital the matter has lain dormant, and a few months ago seemed as far off realization as ever. Then along came Mr Scott with his lottery scheme, which did not come off. Then follows the English syndicate scheme, which, as far as we can see, will most likely eventuate. At any rate all the parties to the needful arrangements on this side seem to have settled on a satisfactory plan of action which now only requires to be accepted by the English capitalists whose representatives leave for home by early steamer with the necessary information. Now comes quite a romantic episode. We were waited upon yesterday afternoon by Mr Jules Wilson, who will be remembered by many as one of the earliest miners on the Thames....

Well Mr Wilson made a friendship at the Thames with a man who, after the usual goldfield’s ups and downs, went back to France and has been living there ever since. The correspondence between the old friends ceased about 20 years ago, but was

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renewed some six months' since by Mr Wilson sending his friend some Auckland papers. These papers contained some mention of the wealth likely to follow the exploitation of the deep levels at the Thames, and the old Thamesite was much struck by the feasibility of the idea. He talked the matter over with some wealthy French financiers, who have taken up the matter warmly, and Mr Wilson's friend has written to him to get all possible information on the matter at once, assuring him that if the thing is straight there will be no difficulty in securing French capital for the enterprise to a very large amount. The writer mentioned incidentally that one of his friends had made a couple of million sterling out of South African mines without leaving his office.

Mr Wilson was very much disappointed on finding that he was forestalled by the English capitalists in his endeavours to take this big scheme in hand, but he holds his hand for a few days until he ascertains the result of the Auckland Conference on this important subject. If no satisfactory arrangement is likely to come off with the Englishmen then he will step in on behalf of the Frenchmen, or perhaps some alliance between the old rivals may be effected. Failing either of these plans the French capital will most likely be diverted to the Upper Thames district.

We can vouch for the correctness of the above statements, as we have seen the portion of the original letter referring to them. Mr Wilson is staying in town at the Royal Hotel and will be glad to give further information to interested parties, who must look alive, however, as he leaves by the steamer at noon to-day for Auckland.357

It was later revealed that when Wilson sent de Hirsch copies of newspaper correspondence 'and every other scrap of information', he was commissioned 'to obtain other information and cable it', which was done 'in conjunction with' Scott.358 On 7 February, 'a deputation of gentlemen interested in prospecting the deep levels' met the Minister of Mines, but Wilson was not recorded as one of them.359 One week later, writing on behalf of 'a Paris Syndicate', Wilson informed the Mines Department that it was 'prepared to find capital' to work the deep levels.360

358 *New Zealand Herald*, 3 July 1896, p. 5.
359 *New Zealand Herald*, 8 February 1895, p. 8.
360 J.G. Wilson to Mines Department, 14 February 1895, Register of Inwards Correspondence, 95/238, Mines Department, MD 2/5, ANZ-W [the file containing this letter is no longer extant].
By March, it was known that Wilson was ‘renewing old friendships’ in Hauraki on behalf of de Hirsch, whom some had believed to be long dead. Visiting Thames again that month, Wilson said he was sending information and plans back to the syndicate. ‘My people are so wealthy that they will go on anything they undertake in a thoroughly comprehensive way. They can raise a million pounds as easily as a thousand’. He stated that ‘we have now such a chance of securing foreign capital as we never had before and if we don’t avail ourselves of it we shall only have ourselves to blame. I have gone to work earnestly in this matter at the request of my friends’.

Whatever work my syndicate undertakes will be well and quickly done, and if they are successful in their first venture it will mean the introduction of almost unlimited capital. The only hope for this country is to develop our large reefs by means of wealthy companies. At present most of the work of the small companies only goes to pay mine expenses.

He was ‘not by any means antagonistic to’ another scheme to develop the low levels, but should this fall through he was ‘ready to step into the breach on behalf of the syndicate’. So that ‘no time may be lost’, it had ‘already cabled to a mining expert in Melbourne’, Edward John Dunn, ‘requesting him to visit the Thames to report on the prospects of the deep levels, and if the syndicate undertakes the work no delay will take place in providing the necessary capital, as it is ready for use the moment it is required’. The proposal was disliked in Thames because the syndicate would take all the gold below 750 feet and make no contribution to the cost of drainage. At the end of March, Wilson gave an interview to the Thames Star:

Since we last met I have been working steadily on towards the goal I have in view, and although I have not made much fuss I have been neglecting no opportunity of pushing on the object

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361 Observer, 30 March 1895, p. 5.
362 Poverty Bay Herald, 18 June 1891, p. 4.
363 Thames Advertiser, 15 March 1895, p. 2.
364 See below.
365 Thames Correspondent, New Zealand Herald, written 21 March 1895, reprinted in British Australasian, 2 May 1895, p. 641.
366 Thames Star, 23 March 1895, p. 4.
which is so near my heart. When I saw you last I was leaving for Auckland to meet Mr Dunn, the expert, sent across from Melbourne by my syndicate. This gentleman had been here on other business not long before, and had just returned to Melbourne, when he got a cable to return at once to report on our project. Mr Dunn lost no time as he turned back here again on the very day he got home, and he is now in Auckland waiting for the decision of the companies interested as to what help they require, and the form it is to take. We want the companies to place something definite before us in writing, leaving their propositions open for a specified time so that we may submit them to our principals and get a reply. Now you have been crying out for years for some one to undertake this deep level business, and here we are ready to help you, subject of course to Mr Dunn’s report.

But Mr Dunn will not come near the Thames, nor attempt to formulate any report until the companies say what they want, and place the matter in such a definite form that there can be no possibility of any mistake as to their meaning. Then if we think they really mean business, and offer us any reasonable inducement to proceed, Mr Dunn will come down to the Thames and go thoroughly into the scientific aspect of the question....

I think I have said all that is necessary just now. I will again repeat that my syndicate is capable of carrying out this work whatever it costs. The whole business now depends, firstly, on what terms are proposed by the interested companies, and secondly, on the expert’s report. Both these factors being favourable, as I have every reason to hope they will be, you will have a wave of prosperity set in here compared to which the good old times of the Caledonia days would be but as a “flash in the pan.”

I have in view the development of other portions of your magnificent goldfields, but I will say nothing about those till we have settled this deep level business either one way or the other. The matter now rests with your companies to either embrace or repel the most practical and feasible attempt that has ever been made to settle this burning question of the Thames Deep Levels.367

On 1 May, Dunn, writing from Waiorongomai, informed the Mines Department that the ‘Paris Syndicate does not wish to proceed any further in matter of Thames Deep Levels’.368 By then, despite having acquired an

367 Thames Star, 1 April 1895, p. 4.
368 E.J. Dunn to Mines Department, 1 May 1895, Mines Department, Register of Inwards Correspondence, 95/713, MD 2/5, ANZ-W.
80-acre claim on the Collarbone Spur formerly held by the St Hippo Company, Wilson had turned his interest to Waiorongomai and other areas. He had warned in January that, should his proposal not be taken up, French capital would ‘most likely be diverted to the Upper Thames district’. In mid-February, a ‘gentleman’, presumably Wilson, was reported by a Waiorongomai correspondent to have ‘been up of late’ and was expected ‘to introduce a lot of outside capital in a short time. Pending further developments I am not at liberty to say more’. In September, a miner was granted 100 acres at Puriri in Wilson’s name, and Wilson was granted 80 acres at Thames, first applied for in May, in the name of the May Queen Company. Dunn, who had described the Hauraki Peninsula as ‘the richest gold district of equal size in the world’ and considered the Thames goldfield was ‘only in its infancy’, on behalf of an English syndicate investigated the May Queen, but presumably on the basis of his report it did not acquire this mine.

In early November ‘the representative of a Parisian syndicate’, presumably Wilson, inspected properties at Tairua ‘with a view to purchasing the same’. He acquired shares in a company planning to mine at Ohui, further to the south. After the New Zealand Syndicate was formed to investigate Waiorongomai, Wilson kept its members ‘posted up with the latest developments and discoveries’ on the goldfields, ‘both by letters and lengthy telegrams’. De Hirsch would appoint him ‘General Inspector’ of the New Zealand Exploration Company.

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369 Observer, 30 March 1895, p. 5; New Zealand Herald, Thames Correspondent, 19 April 1895, p. 3, 3 July 1896, p. 5.


371 Waiorongomai Correspondent, Te Aroha News, 16 February 1895, p. 2.


373 Thames Star, 23 March 1895, p. 4.


375 New Zealand Graphic, 2 November 1895, p. 566.


378 New Zealand Herald, 3 July 1896, p. 5.
Through his investments, upon his unexpected death in 1896 Wilson’s estate was worth £568 15s 9d.\textsuperscript{379}

THE EXPERT: EDWARD JOHN DUNN

At the end of March 1895, Wilson gave a flattering account of Dunn, who had advised several overseas syndicates seeking to acquire New Zealand mines:

I may tell you that perhaps Mr Dunn is the most eminent authority living on deep level matters. He was for a long time engaged by the Victorian Government in surveying the deep levels at Bendigo and his report is a monument of learning and patience. Since then he was employed by the Rothschilds to report on mining properties in South Africa involving investments of several million pounds, and he has been employed to report on most of the important mining ventures of late years in all parts of the world. His reputation is thus beyond question,

and his decision about the low levels would be ‘accepted as final’ and not ‘subject to any further revision’. That he did not invest ‘a penny in mining properties’ was ‘one good reason’ why his reports were ‘always looked upon as being impartial and reliable’\textsuperscript{380}.

A prominent geologist, Dunn worked in the Geological Survey in Victoria from 1864 until its abolition in 1869, and from 1871 to 1873 and again from 1874 to 1886 was government geologist for Cape Colony in South Africa.\textsuperscript{381} A Fellow of the Geological Society,\textsuperscript{382} he was one of the first to prophesy that the Transvaal would be rich in gold.\textsuperscript{383} Upon returning to Australia in 1886, he became a consulting geologist ‘mainly for English and European firms’ as well as working for the Victorian Mines Department,

\textsuperscript{379} Probate of Jules George Wilson, BBAE 1569/2367; Testamentary Register 1896-1900, folio 6, BBCB 4208/4, ANZ-A.
\textsuperscript{380} Thames Star, 1 April 1895, p. 4.
\textsuperscript{381} Biographical note in Edward John Dunn, Geology of Gold (South Africa, Australia, New Zealand) (London, 1929); In Memory of Edward John Dunn (*1.XI.1844, + 20.IV.1937), Geologist: A short biography and outline of his participation in the geographical research of South Africa and Australia (Melbourne, 1937), pp. 1-3.
\textsuperscript{382} Cyclopedia of New Zealand, vol. 7, p. 28.
making important discoveries. Described in 1896 as formerly ‘Geologist to the Government of Victoria’, from 1904 to 1912 he was director of the Geological Survey of Victoria. In 1896 he was described in London as ‘a mining expert of world-wide reputation’ and ‘of exceptionally high character’. The Financial Times noted that the favourable reports on Waiorongomai were ‘not the production of any obscure mining man from a remote region, suddenly forced into spurious fame as an “eminence expert” ’ but were ‘chiefly based’ on Dunn, who ‘was now chief mining expert in New Zealand of the New Zealand Exploration Company’.

Not all those associated with mining respected Dunn’s opinions. David Ziman, who floated Consolidated Goldfields of New Zealand with the Exploration Company, obtained reports from him on West Coast mines. He told a London investor that he did ‘not think Dunn’s reports are worth the paper they are written on. I am sure you will not understand what he means when you have read them. In many instances he contradicts himself’. In sending these reports he commented that ‘if you can make out what he says or means I give you best. I am sending them in case you have exhausted all your books so that you can read a good sample of literature on mining written by an Australian expert’. Shortly afterwards he repeated that they were ‘not worth the paper they are written on’. In 1933, a mining surveyor who saw ‘a good deal’ of Dunn in the 1890s wrote that, as Dunn’s previous experience had been in small reefs, ‘the occurrence of

384 In Memory of Edward John Dunn, pp. 4-6; Financial Times (London), n.d., cited in New Zealand Herald, 19 November 1896, p. 3.
387 For full details of Ziman and Consolidated Goldfields, see Hill.
388 David Ziman to A.L. Foster, 14 April 1896, David Ziman Letterbook March-October 1896, p. 55, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
389 David Ziman to A.L. Foster, 14 April 1896, Letterbook March-October 1896, p. 60; see also David Ziman to H.A. Gordon, 14 April 1896, David Ziman Letterbook March-October 1896, p. 60, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
390 David Ziman to A.L. Foster, n.d. [14 or 15 April 1896], David Ziman Letterbook March-October 1896, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
enormous masses of quartz’ at Waiorongomai and Karangahake ‘completely unbalanced his judgment’.\(^{391}\) At first, the mines his syndicate owned were supervised by him;\(^{392}\) his method of working the Fortuna at Thames was roundly condemned before he abandoned it.\(^{393}\)

**THE VENDORS: THE FLEMING BROTHERS**

James Henry Fleming was born in 1864, and his brother Malcolm in 1870, to Andrew, an Irish auctioneer, rate collector, and agent, and Eliza Ann, née Kerr.\(^{394}\) In the 1880s and early 1890s, James was a draper,\(^{395}\) but during the 1890s boom he became a sharebroker and mining agent, first at Paeroa and then at Auckland.\(^{396}\) A mining and share market commentator described him as ‘reliable and trustworthy’.\(^{397}\) Once the boom ended, he farmed on Waiheke Island for seven years, then became a sharebroker again but was a ‘heavy loser over mining speculations’, and sold insurance until bankrupted in 1911.\(^{398}\) Afterwards he was involved in prospecting at Coromandel and Opotiki.\(^{399}\) In the early 1930s, when his financial


\(^{392}\) *British Australasian*, 19 March 1896, p. 419.


\(^{394}\) Birth Certificates of James Henry Fleming, 30 December 1864, 1883/17651; Malcolm Fleming, 1870/16998; Marriage Certificate of Malcolm Fleming, 28 May 1897, 1897/4965, BDM; *Cyclopedia of New Zealand*, vol. 7, p. 23.

\(^{395}\) For example, *Thames Advertiser*, 7 March 1885, p. 2; Church of England, Hamilton East District, Register of Baptisms 1879-1908, no. 341, Anglican Diocesan Archives, Hamilton.

\(^{396}\) For example, Church of England, Hamilton East District, Register of Baptisms 1879-1908, no. 469, Anglican Diocesan Archives, Hamilton; *Thames Advertiser*, 28 May 1896, p. 2; *Observer*, 4 November 1896, p. 2.


\(^{398}\) *Observer*, 25 July 1903, p. 17; Auckland Supreme Court, Bankruptcy Files, B17/1911, BBAE 5628/3, ANZ-A.

\(^{399}\) For example, James Henry Fleming to Minister of Mines, 7 September 1918; Memorandum by Matthew Paul, 5 October 1918, Mines Department, MD 1A, 8/50, Part 1; James Henry Fleming to Minister of Mines, 16 April 1918, 28 May 1918, Mines Department, MD 1A, 10/13/66, ANZ-W.
circumstances were very poor, he attempted to be a mining agent once more. 400 When he died in 1936 he left an estate of only £2,215 11s 9d. 401

After three years at the Thames School of Mines, 402 Malcolm was appointed assistant assayer in the Waiorongomai battery in 1888 and was placed in charge of the assaying department. 403 Leaving the district after the Te Aroha Silver and Gold Mining Company abandoned it in 1889, he became a prospector and miner at Thames for two years. 404 After further study at the School of Mines in 1890 and 1891, he was granted a first-class mine manager’s certificate. 405 A pioneer prospector in several new areas, from 1887 to 1889 he had a claim at Wharekirauponga, near Whangamata, where ‘Fleming and party’ found some gold. 406 In 1891 he was in a party that discovered good ore at the much more successful goldfield at Komata. 407 For several years in the early 1890s, he prospected in the Te Puke area, successfully. 408 He was ‘fossicking about Coromandel’ in August 1895. 409 In 1896, when he was successfully prospecting near Fleming’s Freehold at Te Puke, a newspaper wrote that the brothers deserved success because their ‘zeal’ and ‘systematic’ prospecting had opened up ‘so many gold-bearing localities’. 410 In February 1896, his photograph was published with the caption, ‘A Thames mining authority, and one of the owners of the new find at Kirikiri’, 411 south of Thames, where he had just discovered gold. 412 The following month, Professor James Black ‘paid a glowing tribute’

400 In particular, J.F. Downey to Under-Secretary, Mines Department, 29 December 1931, 20 January 1932, Mines Department, MD 1, 10/7/42, Part 2, ANZ-W.
401 Probate of James Henry Fleming, Probates, BBAE 1570, 753/36, ANZ-A.
403 Te Aroha News, 2 June 1888, p. 2; Thames Advertiser, 17 July 1888, p. 2.
405 Memorandum by James Park, 12 January 1892, Mines Department, MD 1, 92/95, ANZ-W; New Zealand Gazette, 11 February 1892, p. 299.
406 Thames Advertiser, 6 October 1887, p. 2, 21 January 1889, p. 3, 10 August 1895, p. 3.
408 New Zealand Herald, 16 September 1895, p. 3.
409 ‘Obadiah’, ‘Shares and Mining’, Observer, 24 August 1895, p.16.
410 New Zealand Herald, 21 August 1896, p. 6.
411 Photograph and caption, Observer, 8 February 1896, p. 15.
to his ‘energy and perseverance’ in prospecting there.\textsuperscript{413} Later that year, he prospected the King Country,\textsuperscript{414} and arranged for a party to investigate the Urewera ranges.\textsuperscript{415} In mid-1897, when he was developing Fleming’s Lease at Tairua, a mining reporter wrote that he displayed ‘wonderful zeal and energy in opening up new lodes in different parts of the peninsula’.\textsuperscript{416} His wife owned 2,000 acres on Waiheke Island, which he farmed, but in 1900 he had to be pressed by the bank to clear his overdraft.\textsuperscript{417} He continued to speculate in mining in the early twentieth century, but unsuccessful involvement in coal mining combined with unprofitable mines at Kirikiri and Omahu caused his bankruptcy in 1908.\textsuperscript{418} In 1912 he prospected near Coromandel.\textsuperscript{419} Later he left New Zealand, dying aged 75 in Oregon, USA, where he had been a mining engineer.\textsuperscript{420}

\textbf{THE FLEMING BROTHERS AND THE AROHA (OR NEW
ZEALAND) SYNDICATE}

The only time that either brother owned properties at Waiorongomai was in 1895. According to the biography published in the \textit{Cyclopedia of New Zealand} in 1902, Malcolm, after ‘discovering some very large reefs’, accepted ‘a tempting offer from the New Zealand Exploration Company for this property’.\textsuperscript{421} In February and March, the brothers applied for a water race, machine site, and the Monarch, Monarch Extended, Sceptre, and Sceptre Extended Special Claims, totaling 260 acres.\textsuperscript{422} These claims ran

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\textsuperscript{413} \textit{Thames Star}, 25 March 1896, p. 2.
\textsuperscript{414} \textit{New Zealand Mining Standard and Financial News}, 28 November 1896, p. 4.
\textsuperscript{415} \textit{Thames Advertiser}, 10 October 1896, p. 2, 3 December 1896, p. 2.
\textsuperscript{416} \textit{Thames Advertiser}, 26 July 1897, p. 3.
\textsuperscript{417} Bank of New Zealand, Auckland Branch, Manager’s Diary 1900-1901, pp. 12, 19, 59, 64 (entries for 23 June 1900, 6 July 1900, 10 October 1900, 22 October 1900), Bank of New Zealand Archives, Wellington.
\textsuperscript{418} \textit{Observer}, 6 August 1904, p. 7, 4 June 1908, p. 4; \textit{Thames Star}, 26 March 1906, p. 4; \textit{New Zealand Herald}, 1 July 1908, p. 8.
\textsuperscript{419} Malcolm Fleming to Minister of Mines, 23 September 1912; Memorandum by Matthew Paul, 23 October 1912, Mines Department, MD 1A, 8/50, Part 1, ANZ-W.
\textsuperscript{420} \textit{New Zealand Herald}, 9 October 1945, p. 1.
\textsuperscript{421} \textit{Cyclopedia of New Zealand}, vol. 2, p. 467.
\textsuperscript{422} Te Aroha Warden’s Court, Mining Applications 1895, 1, 2, 5, 6, 9, 10/1895, BBAV 11289/14a, ANZ-A.
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from Buck Rock to close to the New Find and Premier mines; they would erect a battery to work them. 423 In February, they tried to buy the Premier mine for £200, but the purchase was not completed until August, for an undisclosed sum. 424 All these acquisitions were on behalf of ‘a strong syndicate’ formed ‘to prospect the Hill’. 425

At the beginning of June, James Mills, a carpenter who three years later became the first mayor of Te Aroha, 426 objected to them taking up all the special claims. 427 The warden assured him that ‘he would not allow any individual or company to possess a monopoly of licenses’. Disagreements over boundaries meant that decisions had to be adjourned until surveyors provided plans. A leading mine manager, Thomas Gavin, 428 protested that adjournments were ‘against the interests of the field. These people had pegged out the whole country and were driving men away from the place’. The warden responded that he had no alternative. 429 These attempts to obstruct the sales were opposed by the Te Aroha News, which welcomed the arrival of a new company and wished it ‘every success’. 430 ‘If those who hold imaginary rights and claims systematically unworked give any trouble I fancy they will have more reason than they imagine to regret their obstructiveness’. 431 A later editorial argued that there was ‘a good deal of misconception’ about the plans of ‘the Fleming Syndicate’:

It has been complained that they seek a monopoly of the hill; and also that by their delays they are driving the scanty surviving mining element out of the district. As a matter of fact they are anxious to obtain only the main reef on which no work has been done for some time, and which was never really worked except in three places. 432

423 Te Aroha News, 23 February 1895, p. 2.
424 Te Aroha News, 23 February 1895, p. 2; New Zealand Herald, 28 August 1895, p. 6.
425 Waiorongomai Correspondent, Te Aroha News, 16 February 1895, p. 2.
426 See paper on his life.
427 Te Aroha Warden’s Court, Mining Applications 1895, 6/1895, BBAV 11289/14a, ANZ-A.
428 See paper on his life.
429 Warden’s Court, Te Aroha News, 5 June 1895, p. 2.
432 Editorial, Te Aroha News, 20 July 1895, p. 2.
In June, their applications for the Monarch and Monarch Extended were withdrawn, and when one investor, William Burton, applied for six month’s protection for the New Find, it became clear that the brothers were associated with the sale of Henry Hopper Adams’ mining properties. Burton’s solicitor announced that the New Find and other, unspecified, ground was ‘being offered to a wealthy syndicate. Negotiations were in progress and the purchase was almost completed, but it would be some time before the owners could commence operations owing to the delay of survey and other preliminary arrangements’. James Fleming explained that the purchase of this and other claims ‘had been arranged, and £1000 deposit paid to show the bona fides of the purchase’, which would be completed by the end of August. The syndicate intended working ‘on a large scale, and the engineer of the Company was on his way here to report’. It would spend at least £50,000 on mines and battery. The warden, in granting protection because of this prospect, hoped ‘that when these large works were started it would give an impetus to mining’. Fleming told him that it was hoped that the new syndicate would provide the large amount of capital needed to work the Sceptre and Sceptre Extended Special Claims by driving ‘a low level tunnel in the Sceptre and through the Sceptre Extended. The tunnel proposed to be put in will be upwards of 1 1/2 miles in length’. The Te Aroha News considered that there was ‘no doubt the new company mean business, and think no mean things of the place’. Not until August was the purchase by ‘the agent of the Rothschilds’ completed, for £4,000; at the same time Fleming purchased the New Premier mine for resale to the syndicate.

Malcolm Fleming had already drawn Waiorongomai to Dunn’s attention. When in Africa, Dunn had met James Napier, who was in

433 See paper on Henry Hopper Adams.
434 Warden’s Court, Te Aroha News, 29 June 1895, p. 2.
436 Piako County Council, Te Aroha News, 15 June 1895, p. 2; Thames Star, 14 August 1895, p. 4; New Zealand Herald, 18 May 1895, p. 6, 21 August 1895, p. 6, 28 August 1895, p. 6.
437 New Zealand Herald, 28 August 1895, p. 6.
438 Ohinemuri Gazette, 20 May 1896, p. 3; Warden’s Court, Te Aroha News, 29 June 1895, p. 2.
charge of the battery from the end of 1889 until mid-1891, and they renewed their acquaintance at Karangahake in 1895, where Napier was supervising the use of cyanide. From early 1895, Dunn was employed by the New Zealand Syndicate to report on Hauraki mines. He was first recorded as visiting Waiorongomai at the end of February. A brief report in the *Te Aroha News* stated that the Fleming brothers along with Dunn, Hubert Percy Barry (general superintendent of the Waihi Gold Mining Company), and John McCombie had been ‘up the Hill’. James Fleming later stated that Dunn arranged the sale of the Waiorongomai properties. In June, Dunn reported ‘most favourably’ on Waiorongomai ‘on account both of the size of its reefs and of the facilities that exist for cheaply winning the gold’, and re-visited in July. On the basis of his report the Waiorongomai properties were purchased. As the chairman of directors of Aroha Gold Mines explained in 1896, in March 1895 the Aroha Syndicate acquired the first of ‘40 to 50 claims formerly held by co-operative mining partners or small companies without adequate working capital. Consequently no developments in depth or of a permanent nature were undertaken, and when difficulties were encountered the work was stopped’. The syndicate ‘spent considerable sums' ascertaining whether the ore ‘went down in depth’.

Also in 1895, Dunn purchased Malcolm Fleming’s Earl of Glasgow, at Karangahake, for a Melbourne syndicate, the two brothers and their father

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444 *Cyclopedia of New Zealand*, vol. 2, pp. 504, 840.


446 Warden’s Court, *Te Aroha News*, 20 June 1895, p. 2.


448 *Thames Advertiser*, 17 July 1895, p. 2.

449 *Ohinemuri Gazette*, 20 May 1896, p. 3.

receiving £5,000 in cash plus £19,000 in fully paid up shares. Malcolm’s quarter interest in Fleming’s Freehold at Te Puke was sold to the New Zealand Exploration Company for £4,500 in August 1896, presumably on Dunn’s recommendation. Clearly the rumour that the brothers were making ‘a considerable pot of money’ was correct.

The New Zealand Syndicate, also known as the Aroha Syndicate, acquired Hauraki mines that would be taken over by the New Zealand Exploration Company in January 1896. Registered in London in August 1895 by de Hirsch after Wilson had informed him about Waiorongomai, its sole object was to acquire mines there. Founders included CORFRADOR, the Banque Internationale de Paris, and the West Australian and General Association. It had a capital of £25,000 in 100 founders’ shares of £1 each and 250 ordinary shares of £100 each. The directors were Jacques Kulp, Raphael Georges Levy, Joseph Harry Lukach, Emil Roth, and John Edward Dudley Ryder, who all received ‘£500 per annum and a percentage of the profits’.

When the syndicate sold its properties to the New Zealand Exploration Company, it was described as an English syndicate and the company was called a French one. Ryder stated in 1898 that ‘the Aroha Syndicate had spent the whole of its capital in purchasing and developing the mine, and on selling it to the present company they did not receive any cash consideration whatever. They had actually spent £25,000, and they only received shares’. As the syndicate had ‘acquired large mining interests’ in Hauraki, ‘to define the interests of the members of the syndicate’ the New Zealand Exploration Company was formed.

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451 *Thames Star*, 15 June 1895, p. 2; *Warden’s Court*, *Thames Advertiser*, 25 July 1895, p. 2, 7 October 1895, p. 2; *Te Aroha News*, 31 August 1895, p. 2; *Cyclopedia of New Zealand*, vol. 2, p. 467.
452 *Observer*, 4 June 1908, p. 4.
454 *Cyclopedia of New Zealand*, vol. 7, p. 28; *British Australasian*, 15 August 1895 p. 1247.
456 *British Australasian*, 15 August 1895, p. 1247; *Thames Advertiser*, 2 October 1895, p. 2.
457 *Ohinemuri Gazette*, 1 April 1896, p. 2.
458 *Auckland Weekly News*, 9 July 1898, p. 34.
459 *British Australasian*, 19 March 1896, p. 419.
THE NEW ZEALAND EXPLORATION COMPANY

On 31 March 1896, James Fleming stated that the Aroha Syndicate was employing 40 men to ‘thoroughly test’ the lodes ‘with a view of floating a large company to take over the whole concern and thoroughly develop it’. In fact, by then this ‘large company’ had been formed, the New Zealand Exploration Company being registered in London on 10 January. It had a capital of £125,200, divided into 125,200 shares of £1 each, 200 of which are founders’. Object: To acquire all or any of the properties, mine, mining, water and other rights grants, leases, claims, concessions, options, metalliferous land, &c, the property of the New Zealand Syndicate, upon the terms of an agreement, made January 9, between the Compagnie Francaise des Mines d’Or et d’Exploration of the first part, the Banque Internationale de Paris of the second part, the West Australian and General Association, Limited, of the third part, Baron James de Hirsch of the fourth part, and G.G.W. Hayward, on behalf of this company, of the fifth part; to develop, work, and generally to turn to account the said properties in such a manner as the company shall see fit, and to carry on the business of a mining, milling, smelting, and metallurgical company in all or any of its branches.

It did not produce a prospectus. Its Waiorongomai properties were acquired ‘on most favourable terms’. After the option holders spent nine months working the New Find Nos. 1 and 2, Empire (formerly Premier), Sceptre, and Sceptre Extended Special Claims, a total of 400 acres, these along with the battery and its water races were transferred to the New Zealand Exploration Company. £12,000 was paid on 16 May 1896, which,

461 Te Aroha Warden’s Court, Mining Applications 1896, 22/1896, BBAV 11582/4a, ANZ-A.
462 British Australasian, 30 January 1896, p. 174; New Zealand Gazette, 8 April 1897, p. 839.
465 British Australasian, 14 May 1896, p. 727.
with the £5,000 earlier paid for the option, made a total price of £17,000.\(^{466}\)

One New Zealand journal reported the purchase as ‘most important’ because the properties had ‘been purchased out right’.\(^{467}\)

In addition, the company acquired the Earl of Glasgow and Crown companies at Karangahake, in mid-1896 amalgamating them as New Zealand Crown Mines, de Hirsch and Lukach signing the agreement.\(^{468}\)

Granted ‘prospecting rights over a very large tract of known auriferous country in the Hauraki Peninsula’, it inspected as far afield as Whangarei Heads.\(^{469}\) It took up some claims at Tairua and at Te Puke.\(^{470}\) In 1897, ‘certain rights’ were obtained over about 100,000 acres of the Coromandel Peninsula held by the Kauri Timber Company on which ‘valuable discoveries’ had been made, and it planned to form a subsidiary company to develop these.\(^{471}\)

The New Zealand Exploration Company had 200 founders’ shares to allot, and allocated 190 amongst 18 individuals and organizations; presumably all or most had been members of the New Zealand Syndicate. Apart from a Paris bank and a Melbourne bank (Gibbs, Bright, and Company), and two exploration companies, these shares were distributed amongst nine Parisians, four Londoners, and Wilson, of Auckland. Officially, the Exploration Company held no founders’ shares at this stage, but presumably the ten not allocated were retained for it.\(^{472}\) According to one report, the company’s promoters had originally intended to work a silver mine in Montana, ‘but owing to the unsettled state of the silver

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\(^{466}\) **Thames Advertiser**, 19 May 1896, p. 1; see also **New Zealand Mining Journal and Financial Guide**, vol. 1 no. 4 (1 June 1896), p. 59; Te Aroha Warden’s Court, Letterbook 1883-1900, p. 382 (2 December 1896), BBAV 11534/1a, ANZ-A; **Auckland Weekly News**, 7 August 1897, p. 13.

\(^{467}\) **New Zealand Graphic**, 23 May 1896, p. 598.


\(^{470}\) **Thames Advertiser**, 17 August 1896, p. 2; **Thames Star**, 15 February 1897, p. 3, 16 December 1897, p. 2.

\(^{471}\) **Auckland Weekly News**, 1 May 1897, p. 15; **Thames Star**, 3 May 1897, p. 2.

market they decided to turn their attention to New Zealand. The Mining Volume of the *Cyclopedia of New Zealand* stated that it was established ‘by London and Paris capitalists’ with its ‘principal objects’ being ‘to find capital for developed mines, and to transact financial business’.

The first directors were Lukach, Kulp, Marquis Fernand d’Hartpoul, Carl Meyer, Theodore Matesdorf, and de Hirsch, the chairman. The qualification to be a director was 250 shares, each one receiving £100 per annum and five per cent of the net profits, divisible. The head office was in London, with a branch office in Paris and a colonial branch office in Auckland. As it was registered in London, its general manager was not able to provide New Zealand authorities with any details of the shareholders, not even their number.

Like Consolidated Goldfields of New Zealand, the New Zealand Exploration Company was described as ‘a sort of child of the great Exploration Company, which at first dealt mainly with South African mines, but which has now begotten’ these ‘two very important and flourishing children’. It had ‘its chief proprietary in Paris’, where there was ‘a growing disposition to invest largely in New Zealand mining’. It was ‘associated with some very strong groups of financiers in France’. In March it was stated that the shares were ‘held by financially strong groups in London and Paris, the bulk being held in the latter place’. In October, the French Consul General confirmed that there was ‘a good deal of French capital finding its way to the colony’. When d’Hautpoul became chairman of directors after the death of de Hirsch, a meeting of shareholders held in London was informed that his ‘connection with several powerful

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474 *Cyclopedia of New Zealand*, vol. 7, p. 28.
477 *Cyclopedia of New Zealand*, vol. 7, p. 28.
478 *New Zealand Gazette*, 8 April 1897, pp. 839-840.
481 *British Australasian*, 19 March 1896, p. 419.
associations in Paris would secure valuable co-operation for this company. Although it was an English company, a large proportion of the shares were held in France, and this alliance with their French friends was an additional source of strength’.483 The Te Aroha News later wrote that it had ‘London, English, French, and German capital’,484 but the latter was a minor element: in 1896 two shareholders lived in Vienna, and three years later there were nine German investors.485

By 21 May 1896, 60,190 ordinary shares had been taken up, and shares to the value of £45,190 were considered as paid up.486 In the enthusiasm with which the company was greeted, the fact that the working capital was only £15,000 was not generally noted.487 In London, it was considered ‘a most influential concern’ which, it was later believed, intended to spend £250,000.488 Another London view was that the formation of the company was ‘an important thing’ for New Zealand, ‘for if really bona-fide mines are discovered the company can procure capital to work them if the prospects of paying dividends on the mines warrant it’.489

For unclear reasons, despite obtaining capital from the same sources, David Ziman was critical of the company. In April 1896 he told the secretary of Consolidated Goldfields that he ‘would not enter into any arrangements whatever with the N.Z. Exploration Company as I consider I can compete against them anywhere, although they are out here for a long time’.490 He asked Henry Andrew Gordon, a mining agent who had been the Inspecting Engineer for the Mines Department, to tell an associate ‘on no

483 Auckland Weekly News, 1 May 1897, p. 20.
484 Te Aroha News, 23 May 1908, p. 2.
489 British Australasian, 19 March 1896, p. 419.
490 David Ziman to Secretary, Consolidated Goldfields of New Zealand, 15 April 1896, Letterbook March-October 1896, p. 69, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
account to join’ it. ‘We can always compete against that crowd. You saw a specimen of their ingenuity’, presumably meaning their deviousness.

Thomas Gavin, the New Zealand Syndicate’s mine manager, and Richard Robert Hunt, its general manager, continued in these positions. As ‘too much’ of his ‘valuable time as a mining expert’ was taken up with ‘business matters’ when Dunn supervised the Aroha Syndicate’s mining, Hunt, then in London, was appointed as business manager in March 1896. Hunt had been born in the colony, and in 1880, when a Justice of the Peace and chairman of the Ngāruawahia town and domain boards, was described as ‘Ngāruawahia’s most prominent settler’. After managing the Waikato Steam Navigation and Coal Mining Company for ten years, he became a contractor, constructing the railway from Hamilton to Te Aroha and doing the reclamation work for the Calliope Dock in Auckland along with other large contracts. He was then appointed general manager of the Kamo Colliery Company and manager of the Auckland Roller Flour Mills. ‘After spending five years in London in mining and financial circles’, he was appointed the company’s general manager. He strongly believed that reefs became richer at depth, although requiring ‘special treatment’, and at the beginning of the 1890s had told English mining engineers that until ‘John Bull regained his confidence and put his hands into his pockets there was not much chance of getting capital’ for New Zealand mining. ‘When he did so they would show him places above the water-level where he would not be troubled with mineralized ores, and they as colonists would be glad to give him a very fair return for his money’.

Dunn would ‘give all his time’ to developing the properties. Shareholders were informed at the company’s first meeting in early May that Dunn and his staff, after ‘considerable expense and delay’ had produced ‘extremely satisfactory’ reports based on ‘thorough examination’.

491 David Ziman, to H.A. Gordon, 15 April 1896, Letterbook March-October 1896, p. 69, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
492 Te Aroha Correspondent, Auckland Weekly News, 4 April 1896, p. 20.
495 Cyclopaedia of New Zealand, vol. 7, pp. 28-29.
497 British Australasian, 19 March 1896, p. 419.
These had not been released because ‘the directors from the first decided that they would not bring any of the company’s properties before the notice of shareholders or the public until they had tested and proved their value to the fullest possible extent’. The chairman of this meeting agreed that in all mining ventures there was

a considerable element of risk, but the directors have endeavoured to reduce this risk to the lowest possible point. You as shareholders in an Exploration Company have the great advantage of not having all your eggs in one basket. Out of the number of properties which the company possesses, it is more than probable that one or more of your properties will prove of great value, and even one good property would give a handsome return to our shareholders.498

AROHA GOLD MINES LTD

On 19 May 1896, Aroha Gold Mines Ltd was registered in London. The nominal capital was £100,000, of which £40,000 was paid up, the remainder ‘on which no cash paid’ being given to shareholders.499 The working capital was £40,000, the remainder going to the New Zealand Exploration Company as payment for the property.500 According to one director, this ‘was considered quite sufficient to put the mine on a working basis’.501 Its objects went beyond mining at Waiorongomai, allowing it to acquire mines anywhere in New Zealand, to be ‘a milling, smelting and metallurgical company’, to develop farms, and to be ‘builders and contractors, farmers, and graziers, stock-raisers, ship owners, storekeepers, &c’.502 Its 400 acres at Waiorongomai included the claims that had produced three-quarters of the gold extracted, notably the New Find, Premier, and Colonist.503

The directors were Ryder, Lukach, Kulp, Levy, Sir Westby Perceval, and Vicomte Charles du Peloux. They were required to hold £200 worth of shares; their remuneration was £600 per annum and five per cent of the net

499 AJHR, 1897, C-3, p. 149.
500 Auckland Weekly News, 27 June 1896, p. 21; Te Aroha Times and Waiorongomai Advocate, 4 July 1896, p. 4.
501 Auckland Weekly News, 9 July 1898, p. 34.
502 British Australasian, 11 June 1896, p. 935.
profits, divisible.\footnote{Aroha Gold Mines, Company Files, BT 31/6822/48001, The National Archives, Kew, London; Auckland Star, 11 July 1896, p. 2.} According to the Financial Times of London, this was ‘a highly respectable directorate’.\footnote{Financial Times, n.d., cited in New Zealand Herald, 19 November 1896, p. 3.}

Being a private flotation, the company’s shares could not be purchased by the general public until July 1896, when all its shares were sold to eight companies and 423 individuals.\footnote{New Zealand Herald, 19 November 1896, p. 3; Aroha Gold Mines, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.} It was floated by the New Zealand Exploration Company, in conjunction with the Banque Internationale and CORFRADOR.\footnote{Te Aroha Times and Waiorongomai Advocate, 4 July 1896, p. 4.} In addition to these, five other companies were shareholders. The Anglo-Continental Corporation of Western Australia had been formed in London in 1895.\footnote{Anglo-Continental Corporation of Western Australia, Company Files, BT 31/15519/45050, The National Archives, Kew, London; Otago Witness, 6 October 1898, p. 23.} The Bechuanaland Exploration Company, registered in 1888, was supported by leading financiers, including Lord Rothschild.\footnote{William S. Welton, Practical Gold-Mining: Its commercial aspects: A collection of statistics and data relating to gold-mining and gold-mining finance companies (London, 1902), pp. 108-109; John S. Galbraith, ‘The British South Africa Company and the Jameson Raid’, Journal of British Studies, vol. 10 no. 1 (November 1970), pp. 146-147; Ferguson, pp. 884-886.} Originally confining itself to South Africa, that proved to be ‘far too small for it’ and in 1896 it became involved in Western Australian and New Zealand mining and largely abandoned Bechuanaland.\footnote{London Correspondent, Auckland Star, 8 October 1896, p. 2.} The Crown Exploration Company has not been traced. The other two companies were the original Exploration Company and the Societe Generale.\footnote{Aroha Gold Mines, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.}

Frederick Richard William Daw was appointed general manager of both Aroha Gold Mines and New Zealand Crown Mines. A metallurgist and mining engineer, he had worked in Britain and Spain before arriving in New Zealand in November 1895. When working for the Rio Tinto Company
in Spain, Daw ‘carried out one of the most extraordinary pieces of work ever executed with mining, viz., laying a railway through the whole of the underground workings of the largest copper mine in the world’.512 He was based at Karangahake as superintendent of the Crown Mines.513

DIRECTORS

The directors of the New Zealand Syndicate, Kulp, Levy, Lukach, Roth, and Ryder, all recorded their occupation as ‘gentleman’. Kulp and Levy lived in Paris, Lukack and Ryder in London, and Emil Roth in Vienna.514 The directors of the New Zealand Exploration Company were de Comondo, d’Hartpoul, de Hirsch, Kulp, Lukach, May, Meyer, Matesdorf and Perceval.515 The Aroha Company was directed by Perceval, Lukach, Kulp, Levy, Ryder, and du Peloux. Their business careers are outlined alphabetically.

Count Isaac de Camondo was a director of the New Zealand Exploration Company until 1898.516 He had five founders’ and 375 ordinary shares.517 Members of the Camondo family were prominent financiers and philanthropists. Sepharidic Jews expelled from Spain in 1497, they settled first in Venice and then in Constantinople, where they flourished as merchants.518 In 1802 they founded their own bank, Isaac Camondo & Co., run from 1832 by Abraham Salomon Camondo, who ‘prospered greatly and became the prime banker to the Ottoman Empire until the founding of the Imperial Ottoman Bank in 1863. ‘They were known as the Rothschilds of the East’. In 1870 Abraham was made a hereditary Italian count for ‘his financial assistance to the liberation of Venezia from the Austrian

513 Ohinemuri Gazette, 12 September 1896, p. 5.
Empire’. Abraham settled his family in Paris in 1869, where they were bankers and investors. They became one of France’s ‘leading Jewish families’ and one of the most important French private bankers. Isaac de Camondo was a member of the Societe Internationale de Peinture, which aimed to exhibit the best of contemporary art. He ‘amassed one of the great impressionist collections’, which he bequeathed to the Louvre. Chairman of the Societe des Amis de l’Opera, he was the librettist of at least one French opera.

The last chairman of directors of the New Zealand Exploration Company was Marquis Fernand d’Hautpoul. He had one founders’ share and 375 ordinary shares. He was also a director of New Zealand Crown Mines. A New Zealand Catholic journal published a short sketch of him and his wife in 1905:

The Marquis d’Hartpoul is himself a French subject, but since his marriage he has lived much in English society, where he is as popular as his charming wife. The Marquise (writes a correspondent) is a member of one of the oldest and noblest English Catholic families, having been born Hon. Julia Stonor, sister of the fourth Baron Camoys, and aunt to the present Peer, who came of age last year. An intimate friend of Queen Alexandra, she is thought to bear considerable resemblance to her Majesty. Stonor Park, the home of her childhood, near Henley,

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has belonged to her family for centuries.... Monsignor Stonor, the venerable Archbishop of Trebizond, so well known to every British Catholic visitor to Rome, is the Marquise d’Hartpoul’s uncle.528

They married in 1891; for a time his wife was a director of Hyde Park Hotel.529

Jacques Kulp, a director of the Banque Internationale de Paris, ‘was prominent in the development of the French Rand Deep mine’ in the mid-1890s and in the foundation of CORFRADOR.530 In 1896, he had five founders’ and 1,135 ordinary shares in the New Zealand Exploration Company.531 He was also a director of New Zealand Crown Mines.532

In 1896 Raphael Georges Levy was director general of CORFRADOR, and had five founders’ and 375 ordinary shares in the New Zealand Exploration Company, of which he was a director until 1898.533 He became a French senator.534 In 1929 he was described as ‘France’s most distinguished political economist’, who had published The Peace of Justice after the First World War.535

The boards of the Exploration Company, Consolidated Goldfields of New Zealand, and the New Zealand Exploration Company all included Joseph Harry Lukach, whose name, it was stated in 1896, was ‘familiar to most persons acquainted with financial affairs’.536 He was manager of the West Australian and General Association.537 In 1895 he was appointed as a

528 New Zealand Tablet, 28 September 1905, p. 10.
532 British Australasian, 9 July 1896, p. 1106.
537 British Australasian, 1 December 1898, p. 2115.
director of the Sulphide Corporation (Ashcroft’s Process), which operated in Australia as a representative of the Exploration Company.\(^{538}\) His involvement in this company and its commercially unsuccessful process led to charges by shareholders of ‘mismanagement and extravagance’ and excessive Exploration Company influence and he and others seen as this company’s appointees were removed as directors in 1898.\(^ {539}\) Two years previously, Lukach became one of the two managing directors of the Exploration Company, being paid £5,000 a year plus 1.5 per cent on all its business.\(^ {540}\) He had four founders’ and 1,006 ordinary shares in the New Zealand Exploration Company.\(^ {541}\) He was also a director of the Otago Syndicate.\(^ {542}\) In 1897, as a member of a deputation from the Incorporated Australasian Chamber of Mines to the premiers of the Australasian colonies, he said that he was ‘connected with various companies that are promoting the mining industry in Australia who have invested in hard cash in those colonies over £2,000,000 sterling’.\(^ {543}\) He later became a director of British Westinghouse.\(^ {544}\)

In 1898, Theodore Matesdorf became a director of the New Zealand Exploration Company, by which time he had acquired one founders’ share.\(^ {545}\) The Exploration Company nominated him as a director of the Sulphide Corporation.\(^ {546}\)

In 1901, the Banque Francaise amalgamated with the Banque Internationale de Paris as the Banque Francaise pour le Commerce et d’Industrie and took ‘a substantial interest’ in CORFRADOR. A vice-president of the new bank was Ernest May, ‘who had been with the Banque

\(^{538}\) British Australasian, 7 November 1895, p. 1777, 8 December 1898, pp. 2167-2168.

\(^{539}\) British Australasian, 1 December 1898, pp. 2115, 2124, 8 December 1898, pp. 2167-2169, 15 December 1898, p. 2193.

\(^{540}\) Turrell with van Helten, pp. 186, 188.


\(^{542}\) British Australasian, 4 February 1897, p. 249.

\(^{543}\) British Australasian, 8 July 1897, pp. 1225A-1225B.

\(^{544}\) Turrell with van Helten, p. 205, n. 94.


\(^{546}\) British Australasian, 8 December 1898, pp. 2167-2169, 15 December 1898, p. 2193.
Internationale’ and was active in the management of the new one. A Jew who started as a clerk in the Rothschild’s Frankfurt house, in the 1850s May was sent to the Californian goldfields as their agent. He had five founders’ and 750 ordinary shares in the New Zealand Exploration Company and was a director until 1898.

Sir Carl Ferdinand Meyer had 15 founders’ shares in the New Zealand Exploration Company, of which he was a director. Another German Jew, born in Hamburg, he became a London merchant banker and member of N.M. Rothschild and Sons as well as an original subscriber to the Exploration Company. He first came to prominence in the 1880s for his ‘invaluable’ role as a hard working ‘confidential clerk’ for the London House of Rothschild. He was regarded as ‘having a great aptitude for calculations’ and for ‘feathering his nest well’. For a time he had a relatively close personal relationship with some of the Rothschilds.

Yet when he sought promotion to procurist in 1890 (asking for £6,000 a year, the right to sign for the firm and his own private office) he was turned down and his resignation was accepted in 1897. According to City gossip, the brothers felt he was getting “too big for his boots.” He left to work with Ernest Cassel.

The fundamental reason for his departure was ‘the obstinate refusal of the Rothschilds to take a non-Rothschild into partnership, despite Meyer’s

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548 Ferguson, p. 576.
552 Ferguson, p. 753.
outstanding abilities'. In 1888 he had become a director of De Beers Consolidated Mines, which had a monopoly over South African diamonds; he arranged the issue of shares in 1889, and was deputy chairman from 1901 until his death in 1921. ‘De Beers’ London board was dominated by Lord Rothschild’s right-hand man’, Meyer, whose appointment ‘was the most visible sign that Natty intended to keep a weather eye on its progress’. He became one of the most influential directors of the London section of the board, and as chairman of this section represented ‘City institutions and Continental shareholders’. He was an enthusiastic believer in prospects of the South African goldfields. In 1904, when chairman of the Pekin Syndicate, which had Chinese railway concessions, he was nominated to the Hong Kong Bank’s London Committee. He acquired a luxurious country house, and used his wealth to become a patron of art.

Vicomte Charles du Peloux was an original director of Aroha Gold Mines, but by September 1897 had ceased to hold any shares. He was also a director of New Zealand Crown Mines. His career has not been traced.

Sir Westby Brook Perceval had four founders’ shares in the New Zealand Exploration Company and became its chairman of directors after

556 Kynaston, City of London: Golden years, p. 171.
557 Chapman, Rise of Merchant Banking, p. 23.
558 Chapman, ‘British-Based Investment Groups’, p. 246; Ferguson, p. 883; for Graphic cartoon of Meyer with Lord Rothschild and his son, see Ferguson, facing p. 773.
560 Kynaston, City of London: Golden years, p. 82.
562 For a detailed description of a visit to this house in 1909, see Kynaston, City of London: Golden years, pp. 331-332.
564 Aroha Gold Mines, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.
the death of de Hirsch.\textsuperscript{566} As well, he was chairman of directors of its two subsidiaries, Aroha Gold Mines and New Zealand Crown Mines.\textsuperscript{567} Perceval was a Liberal member of the New Zealand parliament from 1887 to 1891,\textsuperscript{568} although according to the \textit{Observer} there was 'nothing definite' in his political beliefs.\textsuperscript{569} He was knighted in 1894.\textsuperscript{570} When appointed as Agent-General in London in September 1891, the \textit{Observer} commented: 'Money and influence did the business; not political services or peculiar fitness'.\textsuperscript{571} Holding this post until January 1896, he put much effort into publicizing the colony.\textsuperscript{572} 'As Agent-General he was regarded as a success from the outset', according to some newspapers, proof being that, after being replaced, he was appointed as Agent-General for Tasmania, his birthplace.\textsuperscript{573} He continued to take 'a prominent part in the direction of various companies interested in New Zealand mining and commerce, and was ever ready to conserve the best interests of New Zealand shareholders'.\textsuperscript{574} In May 1896, when a journalist expressed surprise that he was a director of so few New Zealand mining companies, he made it clear

\begin{itemize}
\item \textsuperscript{566} New Zealand Exploration Company, List of Shareholders, 21 May 1896, Company Files, BT 31/6609/46511, The National Archives, Kew, London; \textit{British Australasian}, 9 July 1896, p. 1106.
\item \textsuperscript{567} \textit{Mining Journal} (London), 19 September 1896, p. 1192; London Correspondent, \textit{Auckland Weekly News}, 9 October 1897, p. 21, 23 July 1898, p. 46; \textit{Cyclopedia of New Zealand}, vol. 2, p. 491.
\item \textsuperscript{568} \textit{New Zealand Parliamentary Record} (Wellington, 1913), p. 106; Raewyn Dalziel, \textit{The Origins of New Zealand Diplomacy: The Agent-General in London 1870-1905} (Wellington, 1975), pp. 149-150.
\item \textsuperscript{569} \textit{Observer}, 15 December 1900, p. 6.
\item \textsuperscript{570} Bernard Burke, \textit{A Genealogical and Heraldic History of the Colonial Gentry} (London, 1891-1895, reprinted Baltimore, 1970), pp. 816-819.
\item \textsuperscript{571} \textit{Observer}, 26 September 1891, p. 5.
\item \textsuperscript{573} \textit{British Australasian}, 2 December 1897, p. 2205; \textit{Auckland Weekly News}, 14 December 1900, p. 24.
\item \textsuperscript{574} London Correspondent, \textit{Auckland Weekly News}, 18 April 1896, p. 21; \textit{Thames Star}, 12 February 1901, p. 2.
\end{itemize}
that he had ‘no intention of allowing his name to be used as a bait for the innocent investor’ and only ‘in very exceptional cases’ would he be a director of companies other than those ‘floated privately by the syndicate with which he is connected’, meaning the Exploration Company.\footnote{575} In 1896 he became managing director of Consolidated Goldfields of New Zealand and a director of (Thomas) Melville’s New Zealand Corporation, ‘virtually an exploration company’, of which he became chairman.\footnote{576} Obtaining him as a director of Consolidated Goldfields was seen as providing a ‘great service’ to it, for he was ‘a good man’; he received £1,000 a year from this company, with which he was associated for more than a quarter of a century.\footnote{577} He was also a director of the Waihi Company, the Otago Syndicate, the London-based Kauri Freehold Gold Estates, Collingwood Gold Fields Company, and Progress Mines of New Zealand.\footnote{578} According to a London correspondent, he was ‘generally accredited with having an exceptionally shrewd and keen perception where invested interests and money matters’ were concerned. He was also ‘commonly believed’ not to be ‘wholly indifferent to the somewhat handsome fees by which his undoubtedly valuable services have in most cases been remunerated by the companies which enjoyed the benefit of them’.\footnote{579} When he presided over a statutory meeting of the New Zealand Exploration Company in May 1896, de Hirsch ‘being absent on account of his brother’s untimely death’, he ‘proved an admirable substitute’.\footnote{580}

John Edward Dudley Ryder was the son of the Hon. Frederick Dudley Ryder, who was the son of Dudley Ryder, first Earl of Harrowby, briefly

\footnote{575} {London Correspondent, Auckland Star, 20 June 1896, p. 2.}
\footnote{576} {David Ziman to Westby Perceval, 15 April 1896, Letterbook March-October 1896, p. 63; Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library; Auckland Weekly News, 16 May 1896, p. 20; New Zealand Mining Journal and Financial Guide, vol. 1 no. 6 (1 September 1896), p. 87; Auckland Star, 30 December 1897, p. 3.}
\footnote{577} {David Ziman to Fred Dutton, 3 May 1896; David Ziman to P.L. Foster, 3 May 1896; David Ziman Letterbook March-October 1896, pp. 100, 109, 111, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library; Auckland Weekly News, 18 July 1896, p. 30; Hill, p. 130.}
\footnote{578} {Thames Advertiser, 26 June 1896, p. 3; Auckland Weekly News, 12 December 1896, p. 50; British Australasian, 31 December 1896, p. 2223, 4 February 1897, p. 249; Hill, p. 130.}
\footnote{579} {London Correspondent, Auckland Weekly News, 25 June 1898, p. 47.}
\footnote{580} {London Correspondent, Auckland Star, 20 June 1896, p. 2.}
Foreign Secretary during the Napoleonic Wars. An original shareholder of the Exploration Company, he was until 1890 a partner in Benjamin Newgass and Co, ‘and the largest shareholder in the new accepting house, the International Bank of London Ltd’, of which he was an original director. In 1895 he became president of the Institute of Bankers in London. A director of Aroha Mines, with 300 shares, he was also a director of New Zealand Crown Mines.

SHAREHOLDINGS

James Herbert Curle, a critic of the 1890s boom, cynically noted the composition of the typical London mining company:

The names of the hundred or two hundred proud possessors of the allotted shares are those of respectable proprietors or shopkeepers in the provinces: of gullible women: of retired officers: of even a curate or two: and of, at least, 25 orphans. But we note with a feeling of due respect that the name of not a single man who is reputed to be “in the know” of the mining world, is included.

Whilst no doubt some of these categories applied to Aroha Gold Mines, many shareholders were not so gullible. The only list of shareholders, dated 8 September 1897, reveals that 44 already held interests in the New Zealand Exploration Company. Almost all the new investors gave their occupation as ‘gentleman’, the remainder comprising six bankers, five stockbrokers, four doctors, and a captain, a grocer, a clergyman, a bookkeeper, an engineer, a chemist, a merchant, an auctioneer, a cotton spinner, and the mysterious ‘U.S.’ of Nottingham. The female investors comprised seven married women, one being the wife of another shareholder, and three spinsters. Most, 110, lived in Britain generally, with another 86 in London. Paris had 23 shareholders, two lived elsewhere in France, 11

582 London Gazette, 3 March 1891, p. 1224; Turrell with van Helten, p. 185.
583 Kynaston, City of London: Golden years, p. 119.
584 Aroha Mines Ltd, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.
585 British Australasian, 9 July 1896, p. 1106.
lived in Germany, four in Switzerland, two in Austria, one in Russia, one in Belgium, and one in Ceylon.\(^{587}\)

The share register of the London and Western Australian Exploration Company, formed in 1895, revealed a similar profile:

In April 1896 around 68 per cent of the company’s issued capital ... was owned by investors who chose to describe themselves as “gentlemen,” a term which reflected Victorian upward social mobility. The remainder of the shares were owned by unmarried and married women, lawyers and JPs, bankers, merchants and industrialists, clergy, members of the French, German, and British aristocracies, naval and military officers, physicians as well as one bank manager, two lace manufacturers, and a ship-owner. Of the “gentlemen” shareholders, 38 per cent resided in and around the City and were largely brokers, jobbers, rentiers or financiers; 19.5 per cent lived in the counties while 34 per cent of shareholders lived abroad, largely in France and Germany. This high proportion of “gentlemen” and continental shareholders was not unusual in British-registered mining companies. The lax self-regulatory practices of the Stock Exchange ... were particularly attractive to domestic speculators and foreign investors anxious to avoid paying taxes.\(^{588}\)

As noted, 190 of the 200 founders’ shares in the New Zealand Exploration Company were distributed amongst 18 individuals and companies. Directors Kulp, d’Hartpoul, Lukach and Westby Brook Perceval all received some, with de Hirsch having the largest number, 39 – the next largest was 32 – and Wilson five. Four companies and banks held shares: Banque Internationale de Paris with 25, CORFRADOR with 32, West Australian and General Association with 30, and Gibbs, Bright and Co. with 25. With the exception of the latter, Wilson, and Perceval, all held ordinary shares on 21 May 1896. The other three firms had the largest holdings, 12,812, 10,400, and 14,743 respectively. The largest personal holding was de Hirsch’s, with 11,200; Kulp had 1,135, Lukach 1,006, Ernest May 750, and the others 375 each. At this time there were 12 other

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\(^{587}\) Aroha Gold Mines Ltd, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.

shareholders, four in Paris, six in London and two outside, two in Vienna, and one in St Peters burg and one in Moscow. Each English shareholder had one share; the remainder had from 63 to 1,450. The number of ordinary shares allotted by this date was 59,807.589 CORFRADOR and the West Australian Association have already been described. The Banque Internationale de Paris was one of the major shareholders in CORFRADOR.590 It invested in metallurgical companies in Russia in the 1890s.591 In 1894, Consolidated Gold Fields of South Africa appointed it as its Paris agent to sell its shares.592 Charles and Reginald Bright were born to Robert, ‘a prominent Bristol merchant, as had been his own father and grandfather’. Robert initially worked for his father’s firm but subsequently joined the firm of George Gibbs and Son, of Bristol. After he was accepted as a partner the firm became Gibbs, Bright and Company’ until another name change in 1881. Charles and Reginald had arrived in Melbourne during the Victorian gold rush and formed ‘a modest mercantile concern, Bright Brothers and Company’, which would have branches in Brisbane, Dunedin, and Sydney. In 1881 it was ‘absorbed by the English firm Antony Gibbs & Sons’ and ‘began to take on the appearance of a merchant bank’.593 Antony Gibbs and Sons was ‘one of the most powerful of the English merchant banks’, with particular interests in South American mining.594 Its senior director in the late nineteenth century was also a director of the Bank of England and for a time a Member of Parliament for the City of London.595 Its Australian branch, known as Gibbs, Bright and Co, the same name as the Liverpool branch (which focused on Australia), in

590 Turrell with van Helten, p. 189.
1892 ‘purchased a large number of shares in Western Australian gold mining companies’.\(^{596}\) The firm was also involved in Broken Hill mining, in 1890 purchasing the first output of refined silver from the Broken Hill Proprietary’s Port Pirie works.\(^{597}\) In 1895 it ‘played a key role in the formation of the Sulphide Corporation (Ashcroft’s Process) Ltd, a company set up to work the Central Broken Hill Silver Mine’, and ‘gained effective control of the company’s large-scale exchange operations and/or investment banking’.\(^{598}\) There were five Australasian branches, kept on a tight leash by the London partners.\(^{599}\) The latter ‘followed the Westralian market closely during 1896’.\(^{600}\)

**SOME PROMINENT SHAREHOLDERS**

Details of some of the most prominent individual investors are given, in alphabetical order:

Sir Ernest Joseph Cassel\(^{601}\) held 1,200 shares in the New Zealand Exploration Company.\(^{602}\) According to one view, ‘he never entered into a deal which he himself had not himself studied in every detail’,\(^{603}\) which presumably applied to this investment also. Cassel was ‘one of the dynamic newcomers’ to the City of London in the 1890s.\(^{604}\) One historian described him as ‘the most remarkable presence in the square mile since Nathan

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\(^{598}\) Whitwell, pp. 156-157.


\(^{600}\) Kynaston, *City of London: Golden Years*, p. 138.


Rothschild and a financial genius’. Another wrote an impressionistic character sketch:

Ernest Cassel fits into no category and cannot be classified under any rubric; he was not a banker nor the head of a great business house nor did he preside over any board, and yet for very many years he was the strongest European financier. He combined the art of a finished diplomatic negotiator with the gifts of a never failing visionary; he lacked all sense for any kind of speculation and, perfectly straightforward in his methods, was innocent of the slightest trickery. It was his business to make money, and he made it on an immense scale – the main part of it in Egypt, but only through enriching the whole country itself, not by extracting money from it – and the financial genius of this immigrant was never directed to any other aim than the service of the Empire. The enormous fortune which Cassel made in a relatively short time gave him an extraordinary power over men and institutions, and to his credit it must be said that this power was not once misused by him.

Born to a ‘small-time banker in Cologne’, after ‘serving a brief banking apprenticeship in that city, he arrived in Liverpool’ in 1869 ‘at the age of sixteen with only a bag of clothes and his violin’.

He won his spurs with the loan contractors Bischoffsheim & Goldschmidt as “an ambitious and able troubleshooter,” but his real break was winning the confidence and patronage of Baron Maurice de Hirsch, who had no direct heirs to whom he could confide his £10m. or so capital, the largest in London at the time.

One of the ‘bright young men’ around de Hirsch, he would be an executor of his estate. For Cassel, de Hirsch was ‘his mentor and model of a free-wheeling international financier, from whom he clearly learned

605 Kynaston, City of London: World of its own, p. 301.
606 Emden, Money Powers, pp. 331-332.
607 Kynaston, City of London: World of its own, p. 301; Chapman, Rise of Merchant Banking, p. 54.
608 Chapman, Rise of Merchant Banking, p. 54.
609 Grunwald, Turkenhirsch, p. 32, n. 25.
610 Grunwald, ‘Windsor-Cassel’, p. 133; Emden, Money Powers, pp. 323-324, states he was the sole executor.
much’. By the mid-1870s Cassel began ‘his career as an independent financier owing allegiance to no one but himself’. His ‘rapid assent ... relied utterly on personal qualities. Not many found Cassel a likeable man – for all his undoubted integrity, he had little grace and less humour – but only a fool doubted his judgment or his willingness to back that judgment’. He ‘was someone whose activities historians have struggled to trace precisely, not least because of his temperamental disposition to operate as far as possible as a loner’. A ‘relatively close associate’ praised him for ‘his power of concentration and his directness’. A good listener, his answers were ‘well-formulated, clear, logical and full of common sense. Where others hesitated he acted’, for ‘his perception was quick as lightning. He used to think of the smallest details while doing the biggest things’. ‘Much of his success derived from his judgment of risks, which proved to be more shrewd than that of established merchant bankers’.614

‘Although there were few parts of the world in which Cassel did not have some financial interest, he specialized in a clearly defined range of activities: government loans, railways, the mining of a variety of minerals, ports and other infrastructural developments’, along with ‘some profitable deviations’. In 1884, he left Bischoffsheims, after ‘making a fortune out of backing the mining of Swedish iron ore’ and ‘getting increasingly involved in Mexico and Turkey’. He ‘was entering his prime by the late 1880s – acting with Rothschilds to carry through the important armaments amalgamation of Maxim Gun and Nordenfelt Ammunition, working with [de] Hirsch to finance railway construction in Turkey and Eastern Europe, helping to arrange loans for Egypt as well as several South American states’. He joined the Exploration Company in the 1890s. ‘When Rand Mines Ltd, a powerful holding company with a controlling interest in a clutch of deep level ventures’ in South Africa was formed in 1893, ‘its initial funding came from a range of prestigious sources’, including Cassel and the

611 Thane, p. 81.
615 Thane, p. 87.
618 Turrell with van Helten, p. 185; Kubicek, *Economic Imperialism*, p. 64.
Rothschilds.619 In 1894, disillusioned with American railway ventures, he became more closely involved in British industrial investments.620 He was a major member of the syndicate that in 1895 reconstructed the Anaconda Mining Company, the largest producer of copper and the second largest producer of silver in the world.621 He ‘played an active part’ in promoting the Central London underground railway and forming the Electric Traction Company in 1895 to build it; the Exploration Company’s quarter interest gave it a profit of £800,000.622 He continued to invest in South African goldmining in the early twentieth century.623 He ‘rendered important services to industrial enterprises in Sweden and Great Britain’ and was ‘a benefactor of many charitable and philanthropic works’.624 Although associated with the London Rothschilds in armaments factories from 1888 onwards, by the turn of the century he was dismissive of the Rothschild brothers, whom he described as ‘absolutely useless & not remarkable for intelligence’, and was ‘a formidable rival’ to their interests.625 He has been described as the Rothschilds ‘most dynamic rival’.626 ‘By far the ablest man in the City of London, he took ‘a line of his own’; ‘power meant everything to him’.627 In Egypt, Cassel became ‘a more important force’ than the Rothschilds, raising ‘the money for the Aswan dam and other infrastructural improvements’.628 Becoming a British subject, Cassel assisted British interests against the French; a lasting legacy was his

621 Turrell with van Helten, p. 194.
622 Turrell with van Helten, p. 195; Roth, p. 211.
625 Ferguson, pp. 753, 813, 940-941; Kynaston, City of London: Golden years, p. 74, 171-172.
626 Chapman, Rise of Merchant Banking, p. 23.
627 Kynaston, City of London: Golden years, p. 318.
628 Ferguson, p. 921; Roth, p. 211.
establishment, in 1898, of the National Bank of Egypt.629 After the Young Turk revolution in Turkey in 1908, Cassel attempted to direct the policy of the new government, according to the critical Rothschilds.630

According to one historian, ‘no foreign-born City businessman had ever enjoyed as much influence on English social, political and economic life’ as Cassel, who was Edward VII’s greatest friend.631 He was a member of the ‘smart set’ around the king.632 Their friendship commenced in 1896, ‘immediately after and in connection with’ the death of Maurice de Hirsch, previously Edward’s financial adviser; Cassel for the first time brought Edward’s monetary affairs under control.633 Edward ‘invested in a number of mining projects’ on his advice.634 He was the last man Edward called to his deathbed; his granddaughter Edwina would marry Lord Louis Mountbatten.635

‘For an astute operator like Ernest Cassel the motivation of learning to hunt was because the value of the contacts he thereby cultivated, along with an assiduous attendance at the card table, the racecourse and the shoot, more than outweighed the pain and embarrassment of an unfortunate tendency to fall off’.636 He was an adviser to leading political figures.637 His ‘political ideal was the rapprochement between England and Germany’, and in 1912 ‘did everything possible to smooth the way for Haldane’s despairing visit to Berlin’ aimed at avoiding conflict.638

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629 Ronall, p. 217.

630 Ferguson, p. 918.

631 Camplin, p. 38; Kynaston, City of London: Golden years, pp. 322-323; Magnus, p. 258; for details of his links with Edward and of his financial, charitable, and social activities and his art collecting, see Camplin, pp. 41, 58-62, 134, 147, 200-213, 288-292.

632 Ferguson, p. 770.


636 Kynaston, City of London: World of its own, p. 386.

637 For example, Ferguson, pp. 869, 893.

by *The Times* as ‘a veritable Prince of Charity’, he donated several millions to hospitals and educational institutions including the London School of Economics.\(^{639}\) Born a Jew, at his wife’s dying request he became a Catholic.\(^{640}\) A multi-millionaire by his early forties, when he died in 1921 he left an estate of £7,551,608, the largest one for that year.\(^{641}\) By comparison, Baron Nathan Rothschild six years earlier left a mere £2,500,000.\(^{642}\)

Ludwig Ehrlich, who had 11,354 shares in the New Zealand Exploration Company and 1,250 in Aroha Mines,\(^{643}\) ‘trained as a banker in Frankfurt-on-Main and Paris’.\(^{644}\) Arriving on the Rand in 1890, he worked with speculator and merchant banker Sigismund Neumann ‘before starting out on his own at the beginning of the 1894-95 boom’ in ‘highly speculative ventures’.\(^{645}\) Brian Hill described him as a ‘very clever’, but very greedy, speculator.\(^{646}\) He was ‘one of the fringe promoters who used the Rand as a base for stock deals’.\(^{647}\) Profits from these enabled him ‘to set up in London in 1896 where his firm participated with the Exploration Company in the flotation of Consolidated Gold Fields of New Zealand’.\(^{648}\) ‘Because of his substantial investment – he had paid a premium of 50 per cent for his shares, investing £75,000 for 50,000 shares of £1 each’, he was appointed a director, remaining one until 1942 (apart from 1903-1911).\(^{649}\) Ziman complained that Ehrlich tricked him during the flotation: \(^{650}\)

Ehrlich - my fears are realized that I sold the 35,000 shares dearly to myself. It is really disgusting to find such a rich man


\(^{642}\) Rubinstein, p. 214.


For examples of his speculations, see Kubicek, pp. 168-171.

\(^{646}\) Hill, ‘Biography of an Entrepreneur’, p. 123.

\(^{647}\) Kubicek, *Economic Imperialism*, p. 171.


\(^{649}\) Hill, ‘Biography of an Entrepreneur’, p. 129.

\(^{650}\) For details, see Hill, ‘Biography of an Entrepreneur’, pp. 123-124.
can’t keep his word where his pocket is touched. Fancy after him making so much money on the deal to do me out of £1075.651

The following day, he told Ehrlich that he was ‘very much upset’ by his proposing, at the first directors’ meeting, that Ziman receive only half the commission he had to pay on his shares, which meant losing money. ‘Of course it is not your fault. It is your misfortune. It is your nature. There is only one person, and that is Ludwig Ehrlich, who has a right to get on, and who does not care about others’.652 He complained that Erhlich had bought 35,000 shares as 30s: ‘I consider him the meanest man I ever met’.653 Ziman feared that the worst directors, one being Ehrlich, ‘would be ‘my own friends, whom I have assisted on the Board’.654 Shortly afterwards, Ehrlich offered him 15,000 shares for an unrecorded sum, but Ziman declined the offer.655 Three months later, in response to receiving congratulations on an unknown topic from Ehrlich, Ziman thanked him, adding, ‘If you behave yourself I shall be pleased to tell you all about my doings out here and everything connected with the show’.656 Ehrlich was also a director of Progress Mines of New Zealand, formed in late 1896.657

651 David Ziman to A.L. Foster, 14 April 1896, David Ziman Letterbook March-October 1896, pp. 55-56, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
652 David Ziman to Ludwig Ehrlich, 15 April 1896, David Ziman Letterbook March-October 1896, p. 64, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
653 David Ziman to F.A. Keating, 14 April 1896, David Ziman Letterbook March-October 1896, p. 70, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
655 David Ziman to A.L. Foster, 22 May 1896, David Ziman Letterbook March-October 1896, p. 130, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
657 British Australasian, 31 December 1896, p. 2223.
Joseph Friedlander, who had 1,000 shares in the New Zealand Exploration Company, was another investor in Rand gold mines.

Ernest Lilienthal, of Paris, held one founders’ and 375 ordinary shares in the New Zealand Exploration Company. He was a South African diamond merchant.

Valentine MacSwiney, the founder of V. MacSwiney et Compagnie, was a Paris broker involved in South African mining; he held 150 shares in the New Zealand Exploration Company.

One of the directors of the Anglo-French Exploration, formed in 1889 to exploit the first Rand boom, was Ernest George Mocatta, a member of the London Stock Exchange. Mocatta used scrip issued for South African companies ‘to advantage’ in the 1890s boom, arranging sales through the stockbroking firm of which he was a partner. He held 1,000 shares in the New Zealand Exploration Company.

Charles, originally Karl, Morawitz, held 600 shares in the New Zealand Exploration Company. Born in Bohemia, he was one of Maurice de Hirsch’s ‘bright young men’, becoming one of his ‘closest assistants in the Oriental Railway venture’. After moving to Paris and working for the Banque de Paris et des Pays Bas, he ‘became chief comptroller’ at the Paris office of the Banque Ottomane ‘and the principal aide to the bank’s president’. After war between France and Prussia broke out in 1870, he left France to become the financial manager of Maurice de Hirsch’s ‘oriental

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661 Harvey and Press, p. 110.
662 Kubicek, Economic Imperialism, p. 179.
664 Kubicek, Economic Imperialism, p. 133.
665 Kubicek, Economic Imperialism, pp. 135, 137, 140.
668 Grunwald, Turkenhirsch, p. 32, n. 25.
railway’. In 1885 ‘he moved to Vienna and was co-opted to the board of the Anglo-Austrian Bank’, in which both Ernest Cassel and de Hirsch were ‘interested’. From 1906 until his death in 1914 he was the bank’s president.669 Under his direction, the bank ‘gained in profits and in standing’.670

Shortly before his death he was knighted. Morawitz was an expert in international finance, and his wide experience and many relationships made him an influential adviser. He frequently wrote and lectured, and his study *Les Finances de la Turquie* (published 1902 in Paris) is a standard work on the financial history of the Ottoman Empire during the nineteenth century.671

Harry Mosenthal, of Adolph Mosenthal and Company, a South African diamond merchant and finance house, was an original director of the Exploration Company.672 He had one founders’ and 375 ordinary shares in the New Zealand Exploration Company.673 A fellow investor described him as a ‘commercial Ulysses’.674 Originally from Germany, his father Adolph and uncles had been successful wool and mohair merchants before diamonds were discovered in South Africa.675

Adolph Mosenthal and Company was the leading Port Elizabeth general merchant. In the early 1870s the firm had a capital of £500,000, and it required only a small portion of this for trading as it had £300,000 on fixed deposit in various banks. They never discounted bills and only required banking services for bills of exchange on their London firm. They dealt in hides, mohair, wool and ostrich feathers, which they bought through an elaborate

669 Ronall, p. 211; Grunwald, *Turkenhirsch*, p. 32, no. 25.
671 Ronall, p. 211.
673 New Zealand Exploration Company, Capital and Shares as at 21 May 1896, Company Files, BT 31/6609/46511, The National Archives, Kew, London.
674 Turrell, p. 203.
system of country trading constituents, whom they supplied with goods.676

‘The largest fortune won in South Africa’ in the late nineteenth century ‘while the economy was still dependent on wool was that of the Mosenthal brothers; before diamonds and gold had taken off it had already topped £0.5m. The Mosenthals led the way by taking over the earliest successful exploration company at Kimberley’, and also formed an investment bank.677 The Frankfurt and Paris Rothschilds were associated with them in the London and South African Exploration Company, a prospecting and mining company registered in London in 1870.678 A. Mosenthal and Co was a member of the Diamond Syndicate, ‘which controlled the marketing of diamonds produced by De Beers Consolidated Mines’.679 Mosenthal was a director of the Orion Diamond Mining Company formed in London in 1881, and of other mining companies, including, in 1893, Rand Mines.680 He was an active director of De Beers, which he had helped to form.681 He took charge of the family firm ‘after the founding generation had retired’, settled in London, and his company ‘came more and more to resemble that of an investment bank’.682 In 1890, he took ‘a large share in the first abortive syndicate’ to building an underground railway in London, acting through the Exploration Company, and in 1896 ‘Messrs Mosenthal and Sons’ were linked with Rothschilds as sources of possible loans to meet the cost of constructing railways in New Zealand.683 He was crucial to the floating of Consolidated Goldfields of New Zealand.684 During the 1890s he shared the chairmanship of this company with a merchant banker.685

676 Turrell, p. 60.
678 Jones, p. 156.
679 Turrell with van Helten, p. 203, n. 57.
680 Jones, p. 156; Kubicek, Economic Imperialism, p. 64; Emden, Randlords, pp. 258, 266.
681 Newbury, pp. 89, 98, 131, 162, 182, 194.
682 Jones, p. 157.
683 Jones, p. 181; David Ziman to N.M. Rothschild and Sons, 15 April 1896, David Ziman Letterbook March-October 1896, p. 65, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
684 See David Ziman to A.L. Foster, 6 April 1896; David Ziman to Harry Mosenthal, 6 April 1896; telegram from ‘Mosenthal Rothschild’ to David Ziman, 7 April 1896; David Ziman to A.L. Foster, 29 July 1896, David Ziman Letterbook March-October 1896, pp. 29-30, 32,
Sir Sigismund Neumann had 5,400 shares in the New Zealand Exploration Company and 510 in Aroha Mines. Another German Jew, he was a diamond merchant in Kimberley in South Africa in the mid-1870s before moving on to the Rand, ‘where he became a powerful gold-mine financier’ and formed his own company, S. Neumann and Co. He became a director of Rand Mines upon its formation in 1893 and had a large shareholding. Two years later, he was ‘the fourth largest operator’ in South Africa ‘with a capital of £2.5m., and he was still busy buying up blocks of property and shares to create or increase his interest in diverse mining companies’. He later formed a Diamond Syndicate, and owned coal mines. In 1907 he formed his own banking business, Neumann Luebeck & Co., in London. In addition to a fine house in Piccadilly, he had a racing box at Newmarket and an estate in Inverness-shire, where he ‘frequently’ entertained King Edward VII ‘from nearby Balmoral. He spent money generously, as a large donator to the Berkeley Synagogue in London and as a collector of Pre-Raphaelite paintings which he donated to the Johannesburg Art Gallery. His reward came in 1912 when he was made a baronet. Neumann ‘belonged to the circle which stood close to the immediate entourage of Edward VII’.

Baron Hely d’Oissel, of Paris, held one founders’ and 375 ordinary shares in the New Zealand Exploration Company. In 1901 he was chairman of directors of the Societe Generale and involved in metallurgical

46, 293, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
685 Turrell with van Helten, p. 186.
686 New Zealand Exploration Company, List of Shareholders, 13 July 1899, Company Files, BT 31/6609/46511; Aroha Mines Ltd, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London [recorded as Sigmund].
687 Wheatcroft, pp. 132-133; Kubicek, Economic Imperialism, pp. 65, 68.
689 Wheatcroft, pp. 224-225, 270.
690 Emden, Randlords, pp. 214-215; Kynaston, City of London: Golden years, p. 337.
691 Wheatcroft, p. 227.
693 Emden, Randlords, p. 215.
694 New Zealand Exploration Company, Capital and Shares as at 21 May 1896, Company Files, BT 31/6609/46511, The National Archives, Kew, London.
companies in Russia.\textsuperscript{695} At the end of the nineteenth century, Etienne Hely d’Oissel, presumably the same man, was chairman of directors of a bank, the Credit Industriel et Commercial. This position was achieved through ‘economic, social and political connections’, for ‘the Hely d’Oissel family network was firmly embedded in the Council of State and the Compagnie de Saint-Gobain’.\textsuperscript{696} One of the most powerful bankers in France,\textsuperscript{697} he was particularly involved in French investment in Asia:

Baron Hely d’Oissel, a member of the \textit{Asie francaise}, was president of the Banque de l’Indochine, of the Societe Generale, and of a dozen other companies and banks, most of them deeply involved in imperialist expansion in Asia. He was vice-president of the Cie des Chemins de fer de l’Ouest, of the Cie des Chemins de fer de P-L-M, and of the Cie des Messageries Maritimes, as well as on the board of the Banque de Paris et des Pays-Bas, the Cie Generale Transatkhbptique and the Ste des Manufactures de Glaces et Produits chimiques de Saint-Gobain.\textsuperscript{698}

In the 1880s, as a member of the Conseil d’Etat he defended the religious communities against anti-clericalism, resigning in 1886 ‘in protest at the enforced exile of the Princes’.\textsuperscript{699}

Two Russian Jewish merchants, described as members of ‘the famous Jewish rail and banking family’,\textsuperscript{700} had interests in both companies. Daniel Poliakov had 340 shares in the New Zealand Exploration Company and 540 in Aroha Gold Mines; Lazar\textsuperscript{701} had 14,550 in the former and 360 in the latter.\textsuperscript{702} Daniel has not been traced; Lazar in 1880 became a brother-in-law

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\item \textsuperscript{696} Plessis, p. 152.
\item \textsuperscript{698} Abrams and Miller, p. 694.
\item \textsuperscript{700} McKay, \textit{Pioneers for Profit}, p. 101.
\item \textsuperscript{701} Recorded as Lazare on the share listing.
\item \textsuperscript{702} New Zealand Exploration Company, List of Shareholders, 21 May 1896, Company Files, BT 31/6609/46511; Aroha Gold Mines, List of Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.
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of James de Hirsch. Lazar’s elder brother Samuel had been involved in early railway construction in Russia and was also a banking entrepreneur. The Poliakov brothers ‘were probably the first in Russia to attempt the creation of a conglomerate out of their diverse investments and operating firms, to be controlled by their banks’, but failed in this attempt. Lazar ‘had a bank in Moscow and other banking interests, as well as industrial interests in Persia where he also built roads. He was the head of the Jewish community in Moscow’; his elder brother Jacob, another banker, was head of the Jewish community in St Petersburg. In the 1890s Lazar was also involved in Russians tramways. In 1891 the Banque Internationale de Paris purchased a controlling interest in his South Russian Coal Company, which he had opened 19 years previously to supply his railways with coal. The family was involved in the Bank of Orel, the Moscow International Bank, and the Bank of South Russia.

Joseph Pollak was a London stockbroker involved in the South African mining boom. Ziman believed he was ‘financing’ Lukach and others in 1896, and was in financial difficulties. He held 1,400 shares in the New

703 Grunwald, Turkenhirsch, p. 44.
705 Kahan, pp. 120-121.
706 Grunwald, Turkenhirsch, p. 43, n. 71.
707 McKay, Pioneers for Profit, p. 101.
708 McKay, Pioneers for Profit, p. 142.
709 McKay, Pioneers for Profit, p. 369.
710 Kubicek, Economic Imperialism, p. 98.
Zealand Exploration Company,\textsuperscript{712} and had an interest in Consolidated Goldfields of New Zealand.\textsuperscript{713}

Mining engineer Hamilton Smith ‘acquired great practical experience in the goldfields of Alaska, and enormously reduced working costs there by the introduction of new methods’.\textsuperscript{714} In the 1870s, he became a consultant for the London Rothschilds about American mining. His 1881 report on Venezuelan gold mines induced Rothschilds to invest there. Probably Lord Nathaniel Rothschild persuaded him ‘to settle in London in 1885 and establish a partnership with another expert, Edmund de Crano, as mining engineering consultants.’\textsuperscript{715} ‘One of the most influential American mining engineers of his generation’, in the 1880s Smith advised Lord Rothschild on acquiring and developing mines throughout the world.\textsuperscript{716} In 1886 Smith and de Crano became the first managing directors of the new Exploration Company.\textsuperscript{717} They were each paid £5,000 a year and 1.5 per cent on all the company’s business. Smith was re-elected a director in 1898 but resigned later that year after a disagreement over technical and policy issues.\textsuperscript{718} He obtained shares in companies through his connection with Rothschilds; for instance, in 1893, he was allotted 3,000 shares in Rand Mines.\textsuperscript{719} He ‘took a great technical part in the opening up of the Rand, especially of the Deep Levels’.\textsuperscript{720} ‘On his advice Rothschilds took a financial interest in a number of’ deep level mines on the Rand.\textsuperscript{721} The Exploration Company formed Consolidated Deep Levels in 1892 with Smith at its head; it was remarkably profitable during that decade.\textsuperscript{722} He was amongst those who

\textsuperscript{712} New Zealand Exploration Company, List of Shareholders, 13 July 1899, Company Files, BT 31/6609/46511, The National Archives, Kew, London.

\textsuperscript{713} David Ziman to Joseph Pollak, 20 August 1896, David Ziman Letterbook March-October 1896, p. 336, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.

\textsuperscript{714} Emden, \textit{Randlords}, p. 161.

\textsuperscript{715} Ferguson, p. 876; Turrell with van Helten, p. 183.

\textsuperscript{716} Turrell with van Helten, p. 183.

\textsuperscript{717} Turrell with van Helten, p. 182.

\textsuperscript{718} British Australasian, 31 March 1898, p. 714; Turrell with van Helten, pp. 186, 190.

\textsuperscript{719} Kubicek, \textit{Economic Imperialism}, p. 65; Wheatcroft, p. 134; Kynaston, \textit{City of London: Golden years}, p. 83.

\textsuperscript{720} Emden, \textit{Randlords}, p. 257.


\textsuperscript{722} Emden, \textit{Randlords}, pp. 350-351.
established CORFRADOR in 1895. He had one founders' share and 375 ordinary shares in the New Zealand Exploration Company.

TESTING AND OPENING UP THE GROUND IN 1895

In early June 1895, two experienced men arrived to assist Dunn’s second inspection. Patrick W. Duffield, described as a mining engineer, in April 1883, when he obtained a U.S. patent for an ore concentrator, was a British subject then living in New York. With another man he later published a book entitled Losses in Gold Amalgamation: With notes on the concentration of gold and silver ores. William Shepherd was formerly manager of Broken Hill South Extended No. 1 in New South Wales, while Duffield was later described as ‘general manager for the English syndicate’. In July they spent several days thoroughly inspecting both mines and plant:

The water-race was found to be in need of urgent repair, and men were started to work on it. Men were also employed to clear a track up to the Buck Reef, as the Company have decided to put a drive right through it, in order to thoroughly test its value. They purpose crushing the quartz taken from it, which will be about 200 tons, as the reef is exactly 100 feet thick. Mr Dunn estimates that the outcrop contains at least two million tons of solid quartz. Should this lode prove payable we have some idea of the

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725 Auckland Star, 11 July
726 New Zealand Herald, 28 August 1895, p. 6.
727 US Patent US 275809 A, Google [first name recorded on electronic version of patent application as Patricio].
728 Amazon advertisement, Google, 14 June 2015.
729 Te Aroha News, 20 July 1895, p. 2.
729 New Zealand Herald, 15 July 1895, p. 6.
731 Te Aroha Correspondent, New Zealand Herald, 22 February 1896, p. 5.
732 The New Zealand Herald, which reprinted this article, with variations, gave this as six million tons: New Zealand Herald, 9 August 1895, Supplement, p. 2.
magnitude of the work before them. The drive is to be commenced immediately, under the supervision of Mr Shepherd.\textsuperscript{733}

It was expected that the syndicate would ‘thoroughly’ develop the main reef at Buck Rock ‘and many other subsidiary reefs’. Surveys were being completed, and ‘in accordance with’ Dunn’s report it had been decided to drive a main level to the boundary of the New Find.\textsuperscript{734}

In July, the \textit{Te Aroha News} welcomed the prospects:

As far as we know and believe the company which purposes investing in Waiorongomai is a genuine venture, and the past history of the place, though unfortunate, affords every reason to believe that the new operations will be successful. This may appear paradoxical, but is strictly true. The new people have everything in their favour, including the warnings of the past.

The latter included the erection, when prospecting was incomplete, of the Te Aroha Silver and Gold Mining Company battery that was from 25 to 50 per cent more expensive than was necessary.\textsuperscript{735} By contrast, the new owners ‘intended to thoroughly test the main reef throughout its length and breadth’. A modified version of the cyanide process would ‘render possible a successful treatment of the slimes so prominent an element in local tailings’. South African and Waihi mines had proved ‘the immense value of large reefs systematically developed on a large scale’ even when their value was only a few pennyweights to the ton:

Small reefs, however rich, of which there is no guarantee but that they are here today and gone tomorrow, are no temptation to the capitalist, he has lost enough by them already; what he wants is a reasonable guarantee of a continuous dividend. Men prepared to develop such reefs naturally require a large area.

Whilst regretting the delay in starting operations, it accepted that this had been ‘largely unavoidable’. Negotiations with London were ‘tedious’, as were surveys, but ‘a thorough survey’ was necessary before a plan of

\textsuperscript{733} \textit{Te Aroha News}, 20 July 1895, p. 2.

\textsuperscript{734} \textit{New Zealand Herald}, 12 July 1895, Supplement, p. 2.

\textsuperscript{735} See paper on this company.
operations could be determined ‘or any detailed prospectus submitted to the market’.\footnote{736}

Once work did start, it started vigorously. In early August, three shifts were driving a crosscut across the buck reef, where the quartz appeared ‘favourable for satisfactory returns’.\footnote{737} ‘The outcrop where the crosscut is being put through is 120ft thick. It is the intention of the management to crush the whole of the stone taken out’.\footnote{738} Good assays meant more men were employed.\footnote{739} At the end of September, a correspondent detailed ‘the prospecting works’:

Every effort is being made to open up the large and valuable property in a systematic manner, and as quickly as possible. Thirty men are now engaged in the works in progress, the principal point of operations being in the New Find section, where a drive is being pushed ahead on a reef about two feet thick. The country here at present is very tight, but as the same characteristics prevailed about the same point in the upper levels, the hard class of country was expected…. The large lode known as the Buck reef is also being penetrated by means of a crosscut, the plan being to drive right through it and ascertain its value, though up to the present the prospects here have not been of the brightest. In the Premier section of the property two drives are being advanced, one having been driven a distance of 20 feet, and the other 50 feet. These levels are being driven parallel to one another, one being carried in on the footwall side of the big lode, and the other on the hangingwall, the reason being that the management desires to get to a certain point as quickly as possible, the desired section being immediately underneath the point where rich ore was obtained in the upper level. Then as soon as the required distance has been accomplished the reef will be driven through and its resources developed. Altogether the company have in hand excellent prospecting works, and it is to be sincerely hoped that as a result of the considerable amount of expenditure that must necessarily be entailed, the company will be rewarded by substantial and continuous dividends.\footnote{740}

When Dunn made a ‘flying visit’ in mid-October, he found work being pushed on ‘with all possible speed’ by about 20 men. As the adits were

\footnote{736} Editorial, Te Aroha News, 20 July 1895, p. 2.
\footnote{737} Te Aroha News, 10 August 1895, p. 2.
\footnote{738} Thames Star, 14 August 1895, p. 4.
\footnote{739} Te Aroha News, 28 August 1895, p. 2, 31 August 1895, p. 2.
\footnote{740} Paeroa Correspondent, New Zealand Herald, 30 September 1895, p. 6.
small, only two miners could work at each face, requiring three shifts to lose
‘no time’ in testing the values. The crosscut through the ‘almost solid quartz’
of Buck Rock had been driven 135 feet, leaving another 30 to go. A trial
crushing of about two and a half tons was planned, and as the council had
repaired the track to the crosscut there would be ‘no difficulty in getting a
the quartz to the mill if worth crushing’. 741

In August, an adit was driven near the Premier mine to test the
lode.742 By mid-October, a new upper level in the Premier had been driven
68 feet and the lowest level, commencing at the end of the county tramway,
was in ‘about 50 feet’. Work in the New Find was ‘being vigorously pushed
on. The old drive, which is in a distance of 650 feet, has been cleaned out
and put in thorough repair’, and would turn westward ‘along the wall of the
reef in order to make greater headway’. A crosscut had been driven 30 feet
‘in a northerly direction’ through ‘hard solid quartz’.743 The following month,
a winze about 100 feet deep would be started from the low level to
thoroughly test the ground.744

Also in October, six month’s protection of the Sceptre and Sceptre
Extended was sought. ‘A little work’ had been done and tests were being
made on adjoining ground, which if satisfactory would be developed using ‘a
large amount of capital’.745 In November, Shepherd applied for protection ‘to
ascertain the best place to commence operations on a large scale’. £300 had
been spent since 18 July, 24 men were employed, and the syndicate
intended to expend ‘some £40,000’. Protection was granted.746

In early November, Gavin was appointed mine manager for the Aroha
Syndicate, a good choice in the opinion of the local newspaper because of his
‘practical and thorough knowledge of the hill’.747 During that month, driving
in the Premier continued ‘with all possible speed’ in the tramway level and
a higher one, and by mid-month the winze in the New Find was down 40

741 Piako County Council, Waikato Times, 13 August 1895, p. 2; Te Aroha News, 16 October
1895, p. 2.
742 Te Aroha News, 21 August 1895, p. 2.
743 Te Aroha News, 16 October 1895, p. 2; Thames Star, 17 October 1895, p. 2.
744 Te Aroha News, 6 November 1895, p. 2.
745 Te Aroha Warden’s Court, Mining Applications 1895, 76, 78/1895, BBAV 11582/4a,
ANZ-A.
746 Warden’s Court, Te Aroha News, 30 November 1895, p. 2.
747 Te Aroha News, 13 November 1895, p. 2.
feet. By early December, the upper level in the Premier was in 140 feet and the tramway level was in 100 feet; the ore was ‘considered payable’. Prospects were encouraging in the New Find winze, and another winze had been started in the Colonist low level to work a block below a rich patch mined previously.

When interviewed by a mining reporter in late December, Duffield admitted that ‘it was a serious business taking over a property which had made a failure, but we took it up on the ground that the property was a good property, and that the failure was caused by bad management’. Upon taking charge, he had estimated the large outcrop of the buck reef contained two million tons of ore, which if producing one and a half pennyweights of fine gold to the ton would be profitable. As the crosscut had turned out to be ‘disappointing, the average value not being greater than 10 grains to the ton’, he had started driving in ‘some of the old workings’, but so far prospecting the Premier lode had been ‘without results’. In the Colonist, ‘just underneath a block which had been stoped out to the surface the manager had the satisfaction a few days before my visit of coming on a good class of ore in which gold was visible, the first gold which he had seen in the district, and he felt gratified and encouraged’. As assays were encouraging, Duffield was extracting ten tons for testing to ascertain whether it was worth the expenditure required for putting in a low level tunnel to intersect and work it, but unfortunately just as crushing was about to commence the water-race, which was in a rotten condition, gave way, and the crushing had to be deferred until repairs were effected. Further prospecting is now in progress, and if the ore is found to be payable, machinery most suitable for its treatment will be erected, and a low level drive will be at once started.

MINING FROM 1896 TO 1898

In February 1896, a Te Aroha correspondent reported that the Premier, being worked under Duffield’s supervision, showed ‘every sign’ of being payable.

749 *Te Aroha News*, 7 December 1895, p. 2.
750 *New Zealand Herald*, 25 December 1895, p. 5.
Good payable ore has been struck on the main lode, which at this point is about 100 feet thick. The syndicate has the good wishes of everyone here, as they deserve success for their perseverance in prospecting under the difficulties they have experienced in driving and sinking through a hard belt of country.\textsuperscript{751}

The following day, the same correspondent was told, ‘on the best authority’, that ‘very rich ore’ had been struck that was ‘equal to the Martha reef at Waihi’.

The reef, which was eight feet when first met with, has now widened out to 25 feet, and was formerly known as the Vulcan lode. The permanence of the find is established beyond doubt, as the prospects improve the further the lode is driven on. Some idea of the magnitude of the find may be formed from the fact that the drive is approaching the junction of the Premier and Vulcan reefs, where it is fully 100 feet wide, and on the present level gives 450 feet of backs.\textsuperscript{752}

A week later, miners were driving two tunnels on the Premier lode, something like 300 feet of driving being done altogether. The reef has widened out to 25 feet in width, and at the commencement of last week an assay test of the stone was made, but the result was a very poor one. Since then, however, the reef has improved considerably in quality, and the prospects attainable now are stated to be most encouraging.\textsuperscript{753}

Duffield permitted a journalist to inspect and report on the workings:

The drive at the upper level, which is eight feet by six feet, starts at a point 80 feet in a direct line above the county tramway, which terminates here. The lode where first intersected shows a width of 10 feet, and has been cut through at intervals, and now, when driven on 150 feet, proves to be 25 feet thick. It is here that preparations are being made to sink to the lower level, where a junction will be effected, which will give better ventilation. At present, a furnace draught, with pipes carried into the main drive and crosscut, is keeping the mine fairly clear. The drive is made with a view to cut the junction of the Vulcan and Premier lodes,

\textsuperscript{751} Te Aroha Correspondent, \textit{New Zealand Herald}, 14 February 1896, p. 6.
\textsuperscript{752} Te Aroha Correspondent, \textit{New Zealand Herald}, 15 February 1896, p. 5.
\textsuperscript{753} \textit{New Zealand Herald}, 22 February 1896, Supplement, p. 2.
which is located under the point where [William Morris] Newsham\(^{754}\) and party have taken out some rich crushings. Work is necessarily slow owing to the hard belt of country with which the lode is encased. Oxide of iron, which is considered a good indication of the presence of gold, is noticeable all along the drive. It is at this level that the best assay results have been obtained, owing, doubtless, to the fact that the lode has been further penetrated here than in the lower level. As regards the lower level, work is being vigorously pushed forward, three shifts of men being engaged. As in the upper level, progress is retarded by the tough nature of the country through which the drive is passing. The nature of the lode here is very favourable for gold, and no doubt when the drive reaches the same point as the upper level has, it will prove to be as rich, and probably richer. This drive is now in a distance of 200 feet, and has been carried along the southern wall of the reef. The reef has been cut through at intervals, as in the upper level, which has proved the uniform nature of the lode. There is a large flow of water coming from the fact of the drive, and the air in this level is good.\(^{755}\)

‘Steady progress’ continued for a time.\(^{756}\) In mid-March the company was reportedly ‘sanguine that the developments now in hand’ would ‘turn our remuneratively to all concerned’.\(^{757}\) One reporter wrote that, as operations were ‘to be conducted on a big scale, a permanent revival seems assured for this portion of the field’.\(^{758}\) To reveal ‘the determined way’ in which the mines were being developed, early in April the *Te Aroha News* reported nearly 60 men being employed ‘and last month the pay sheet amounted to over £600’. The prospects were ‘very encouraging’, and a trial crushing of 500 tons was to be made.\(^{759}\) Late that month, ‘some excellent quartz’ showed ‘gold freely’, the ‘general character of the reef’ improving as the drive extended. ‘Assays made during the past week have been highly satisfactory’.\(^{760}\)

Duffield and Shepherd, ‘who represented the English syndicate’, had left New Zealand upon the formation of the New Zealand Exploration

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\(^{754}\) See paper on his life.

\(^{755}\) *Te Aroha Correspondent, New Zealand Herald*, 22 February 1896, p. 5.

\(^{756}\) *Te Aroha Correspondent, New Zealand Herald*, 27 February 1896, p. 6.

\(^{757}\) *New Zealand Herald*, 29 March 1896, Supplement, p. 2.

\(^{758}\) *New Zealand Herald*, 17 April 1896, Supplement, p. 2.


\(^{760}\) *Auckland Star*, 30 April 1896, p. 5.
Company.\textsuperscript{761} Gavin was then reappointed as mine manager, to ‘general satisfaction’, and it was expected that ‘an increased number of men’ would be employed ‘to push forward the prospecting drives’.\textsuperscript{762}

In early May, quartz being broken out showed ‘gold freely’.\textsuperscript{763} Dunn informed his directors that ‘it would be extremely difficult to match this property either for the size of its reefs or for the facilities that exist for cheaply winning the ore’.\textsuperscript{764} Late that month, when Daw and Hunt were given a guided tour by Gavin, the former ‘expressed great surprise at the magnitude, and continuity of the main reef, which, he declared, was unequalled in all his experience’. After their ‘exhaustive inspection’, they planned future developments which were not revealed because such details were ‘naturally reserved for the London directorate’. A local correspondent was certain that a large amount of money would be spent. Under Gavin’s ‘vigorous management’, there was ‘a distinct change’ in the work. ‘A large increase has been made in the number of men employed, and altogether there is an air of busyness about the place that is in pleasing contrast to the dead and alive state of affairs which has obtained here for the past few years’. Accommodation for 100 men was to be provided at Quartzville.\textsuperscript{765} At the end of May, a Waiorongomai correspondent was enthusiastic because it had seemed that the district would not participate in the boom. ‘There is an old saying “give a dog a bad name and it will stick with him,” and it has been so with our Waiorongomai goldfield’. Now ‘our day has come, the boom is here, and it has come to stay. Our King of reefs is going to get a fair trial which it has never had before’.

The New Zealand Exploration Company may well be proud of their property, for they have nearly three miles of this great reef running through it, and they are already showing that they are well satisfied with their prospect. Not only have they taken over the property, but they are laying off permanent works, such as tunnels, winzes, and tramways, besides building comfortable cottages for their workmen. Ten of these cottages are to be built at once, to hold eight men in each, with concrete and brick chimneys. These are to be erected on the mine. The water races are also being cleared and repaired. The present plant is to be

\textsuperscript{761} Te Aroha Correspondent, \textit{Auckland Weekly News}, 4 April 1896, p. 20.
\textsuperscript{762} Te Aroha Correspondent, \textit{New Zealand Herald}, 28 March 1896, p. 5.
\textsuperscript{763} \textit{New Zealand Graphic}, 9 May 1896, p. 534.
\textsuperscript{764} \textit{British Australasian}, 14 May 1896, p. 727.
\textsuperscript{765} Te Aroha Correspondent, \textit{New Zealand Herald}, 28 May 1896, p. 6.
used for testing the ores, before deciding the nature of the plant to be erected for future use. There are already 75 men at work on the Company’s property on various works, which consist of sinking two main winzes, driving two crosscuts, and four tunnels on the main reef (3 in Premier and 1 in Colonist sections.) A staff of men are kept constantly prospecting and bringing in samples of ore for assay, while others are building hoppers, excavating for houses, getting timber, etc.

After spending three days inspecting, Hunt and Dunn ‘expressed themselves highly pleased’ with progress. The correspondent congratulated them ‘on having such a fine property to manage’, and had ‘not the slightest doubt’ that they would be ‘well rewarded for their investment in this much neglected district’.766

In his annual report, dated 17 June 1896, the Inspecting Engineer of the Mines Department, Henry Andrew Gordon, recorded that the Aroha Company was employing 30 men at the time of his visit. The winze in the New Find had been abandoned, and the two adits in the Premier designed ‘to cut the junction of a second lode with the main one’ still had to be driven over 300 of their estimated 500 feet. When the lode was cut, it was intended to sink a winze under the place where Newsham had previously found a good shoot of ore.767 The mining inspector, George Wilson,768 reported that in these two levels as well as in the Vulcan level, driven on for 120 feet, ‘large bodies of quartz’ existed. Prospecting in old working had disclosed ‘large quantities of payable ore’, and the company intended ‘to put the battery in order, and commence crushing at an early date’.769

At the end of June, Gavin cabled good news:

The Vulcan Claim upper level north drive has been pushed 126ft, and 22 assays have been made, averaging £1 1s 3d per ton. Upper level south drive pushed 63ft; assays average 19s 9d. Premier winze driven 84ft; 22 assays average £2 6s per ton. Mine looking very well.770

767 H.A. Gordon to Minister of Mines, 17 June 1896, AJHR, 1896, C-3, p. 78.
768 See paper on his life.
769 George Wilson, undated report incorporated in H.A. Gordon to Minister of Mines, 17 June 1896, AJHR, 1896, C-3, p. 79.
770 British Australasian, 2 July 1896, p. 1050.
Immediately afterwards, a local correspondent reported the only new development was a new low level driven for 50 feet in the old Colonist ground.

In the meantime an immense quantity of payable ore has been got out ready for treatment, all the passes and hoppers being completely filled up. The proprietary have not yet decided on a permanent process of treatment, but the fact that sample two-ton lots have been shipped to San Francisco, New York, France, England, and elsewhere, show that they are determined to spare no effort or expense in having the very best process available.

This would be determined after the test results were received. ‘Pending this, and with a view of the getting rid of the surplus accumulation of ore’, the battery was ‘going night and day’. The ore was treated by the wet process and all tailings were saved for further treatment. About 90 men were employed.\(^771\) In late July, the directors received a cable outlining all the work being done:

Premier section – Vulcan level is in 175ft to the north and 112ft to the south. Winze is down 104ft. Premier upper tunnel is in 368ft. Vulcan mid-level tunnel is in 98ft. Colonist – A new adit has been started to unwater the Colonist and Premier sections. It will give 100ft more backs in these two sections, and is now in 92ft.\(^772\)

In August, Daw, as mine superintendent, cabled that a new reef 15 feet wide had been ‘discovered in the southern section four chains from the Big Blow’, otherwise Buck Rock, and 73 assays gave its value as £1 4s 9d.\(^773\) Late that month, accompanied by James Napier, then assayer for the Crown Mines,\(^774\) Daw revisited to test the ore.\(^775\) One ton from the ‘Premier-Colonist’ reef had already been sent to London for treatment and another 20

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\(^771\) Te Aroha Correspondent, *New Zealand Herald*, 4 July 1896, p. 5.

\(^772\) *British Australasian*, 30 July 1896, p. 1235.

\(^773\) *British Australasian*, 20 August 1896, p. 1369.


\(^775\) *Ohinemuri Gazette*, 26 August 1896, p. 3.
tons were to be dispatched. The ore was ‘packed in cases made of kahikatea, iron-bound, weighing about 120lb per case’, each being numbered to determine ‘the absolute value of each part of the reef’. A new plant would be erected once the most appropriate treatment had been decided.\footnote{Ohinemuri Gazette, 2 September 1896, p. 3.}

One observer, who praised ‘the so-called big Company’ for thoroughly developing their ground ‘by means of up-to-date scientific mining operations’, believed it was preparing to spend a couple of hundred thousand pounds in ‘extensive development’ because ‘the tests that have been repeatedly made since they took over the property have turned out satisfactorily’.\footnote{‘Trilby, Jnr.’, ‘Te Aroha Titbits’, Thames Advertiser, 15 September 1896, p. 3.} The company was working too energetically for one resident, who complained about surveyors working on Sunday:

> What sort of example, I ask, is this for our rising generation? I consider that the firm who allow this sort of thing to go on should be thoroughly ashamed of themselves. For the sake of earning a few pounds they send their assistants up to desecrate the Sabbath, and set an example to our youths of which they should be anything but proud. The Company are as much to blame as the surveyors or engineers in the matter, in fact, more so, and when one comes to see that several of the company’s servants are apparently men of strong religious views, one ponders why things are thus.\footnote{Letter in Te Aroha News, n.d., reprinted in Thames Advertiser, 16 September 1896, p. 2.}

In May, James Fleming had purchased the future Bendigo battery site and transferred it on the following day to George Frederick Bell, of Melbourne. In 1884 and 1885, Bell had managed the New Zealand branch of Antony Gibbs and Sons, and from 1885 to 1929 was first its manager and then a partner.\footnote{Te Aroha Warden’s Court, Rent Register 1894-1910, folio 38, BBAV 11570/7a; Thames Warden’s Court, Transfers and Mortgages 1894-1895 no. 56450, BACL 13964/1a, ANZ-A; Wilfred Maude, Merchants and Bankers: A brief record of Antony Gibbs & Sons and its associated houses’ business during 150 years (London, 1958), p. 131.} In August, this site was transferred to Aroha Gold Mines, as were water races and the New Find and Sceptre claims two months...
later. Bell had earlier acquired claims and a water race and machine site at Karangahake on behalf of the Earl of Glasgow Company.

In September, Perceval was able to tell shareholders in Aroha Gold Mines that the exploratory work done by the Aroha Syndicate had been continued

with very satisfactory results. Several adits at a much lower level than the old workings, and also winzes, had been driven and sunk on the reef. This reef, which experts assert is from 4ft to 100ft in thickness, runs for over two miles through the property and has been proved in almost all the workings to be gold-bearing. Hundreds of assays had been made which gave a value per ton of a few shillings up to £3, without speaking of specimens frequently met with which assay from £20 to £100 per ton. Putting specimens and rich chutes out of the calculation it is proved beyond question that there is an enormous mass of low grade ore.

The directors had decided that the most economical way to extract this would be a low level tunnel. Perceval then quoted from Dunn’s ‘very favourable report’:

As regards management, the placing of Gavin in charge of the mines has been a vast improvement, and the property now is being energetically and honestly developed. The Premier section is receiving the most attention and is certainly opening up in a manner that exceeds my anticipations. The work now proceeding is proving that in this section of the mine large bodies of ore of low grade, but profitable to work, exist. As the work is carried northward from the several levels so as to get below the Premier workings and to the north of these workings, I quite expect the quality of the ore in the lode to improve. Besides the average assays it is evident from occasional assays made that streaks of rich ore occur. I believe cyanide will be applicable to these ores, and especially to some of them, such as those from the Colonist section, where I saw drab-looking spots in the quartz, which on being magnified resolved into the most finely-divided particles of gold I have seen, and this of course is the most suitable for

780 Te Aroha Warden’s Court, Rent Register 1894-1910, folio 38, BBAV 11570/7a; Letterbook 1883-1900, pp. 344, 346, BBAV 11534/1a; Plaints 1890-1901, 35/1900, BBAV 11572/2a, ANZ-A.

781 Paeroa Warden’s Court, Register of Licenses 1892-1895, folios 136, 137, ZAAP 13296/1b; Register of Licensed Holdings 1887-1896, folios 136, 143, ZAAP 13293/1a; Register of Special Claims 1895-1896, folio 12, ZAAP 13294/1b, ANZ-A.
cyanide treatment. My own feeling is that with such splendid encouragement as the mine now gives for the money so far spent, very much more extensive development is justified and should be carried on, and so far the Premier section has monopolised most of the expenditure. Not one-fourth of the length of the lode in your property is being tried, and I consider that a fourth of the sum set apart for development should be expended on the southern portion of the ground. The next that should be done is to send a first-class man to go thoroughly into the matter of planning how these great lodes are to be worked and the ore conveyed to the mill in the most economical manner. This work requires to be attended to now, so as to place the low level tunnels at the proper levels, etc, and it is quite independent of the actual plant which will be required, and which can only be decided upon later on. The general feeling here is that Waiaorongomai is of the largest, if not the largest, thing in the Peninsula, and this is the view I formed of it at the beginning. I do not, however, count on rich ore, though instances of this nature will occur, but what you may expect is large bodies of payable ore and a lasting – I was very nearly saying an everlasting – mine.\textsuperscript{782}

In reality, the assays were not nearly as promising as Dunn stated. From 1895 to 1897, 849 assays were taken from the Vulcan lode in the Premier ground, giving an average value of £1 8s 8d per ton of stone extracted, whilst 1,003 taken from the main Premier lode gave an average of £1 0s 2d.\textsuperscript{783} This meant an average of £1 3s at a time when ore worth under £1 10s ‘was not considered payable’.\textsuperscript{784} The general manager of Komata Reefs Ltd, who had access to this information in 1906, wrote that a ‘fair amount of development work’ in the New Find, Colonist, and Premier had, ‘judging from their assay books’, produced ‘very poor results’.\textsuperscript{785}

In December 1896, the company sought protection for all its properties whilst it spent two years on driving the low level tunnel; six months was

\textsuperscript{782} London Correspondent [3 October], \textit{Auckland Star}, 5 November 1896, p. 2.
\textsuperscript{783} Report by E.J. Scoble and Hugh Crawford on Malcolm Hardy’s claim, Waiaorongomai, 26 May 1936, Mines Department, MD 1, 23/4/54, ANZ-W.
\textsuperscript{784} E.C. Macpherson to John Henderson, 14 November 1932, Mines Department, MD 1, 23/1/20, ANZ-W.
\textsuperscript{785} F.C. Brown, Report for Hardy’s Mines, 1 March 1906, Mines Department, MD 1, 23/4/54, ANZ-W.
granted.\textsuperscript{786} A correspondent wrote, late the following February, that although driving continued in the Colonist, work had stopped temporarily on the main reef in the Premier, from which 400 tons had been taken for dry crushing and cyanide treatment. Although there were rumours that all work was to be stopped, about 50 men were employed.\textsuperscript{787} Two weeks later, another correspondent reported that all the ‘upper workings’ were deserted, ‘a great difference compared with a few months ago, when the hill was alive with miners’.\textsuperscript{788}

In his first report as Inspecting Engineer, dated 29 June 1897, George Wilson wrote that ‘the works carried on have been prospecting and development. Two winzes have been sunk, the total depth of which is 202ft 6in. A distance of 763ft has been driven in crosscuts, and 883ft has been driven on the reefs. The amount of ore treated was 708 tons’.\textsuperscript{789} A table gave 929 tons producing 348 ounces, worth £913;\textsuperscript{790} as this tonnage was not recorded anywhere else, it must mistakenly include ore from other mines. An average of 50 wages men and contractors were employed during the year.\textsuperscript{791} In July, a 400-foot prospecting tunnel in the Colonist had cut the reef 100 feet below the old workings and 300 feet below the outcrop. Contractors had started ‘to prospect the main lode by driving some hundred yards along’ it.\textsuperscript{792}

At the annual general meeting of Aroha Gold Mines in August, shareholders were told that for the year ending 30 April ‘prospecting, development, machinery, water-races, and ore experiments’ had cost £9,456. Assays in the Vulcan, New Find, Premier, and Colonist varied considerably and the ore was not ‘of sufficiently uniform value to justify more than experimental crushing, the cost of haulage and tramming rendering its handling expensive’. On the advice of their ‘experts’, crushing had been suspended until ‘the great south tunnel had been driven to intersect the reefs at the low level’. The Colonist drive to test the junction of the main

\textsuperscript{786} Aroha Gold Mines to Minister of Mines, 11 December 1896; Warden to Minister of Mines, 26 December 1896; Memorandum by Minister of Mines, 7 January 1897, Mines Department, MD 1, 99/588, ANZ-W.

\textsuperscript{787} Waiorongomai Correspondent, \textit{New Zealand Mining Standard}, 27 February 1897, p. 9.

\textsuperscript{788} Te Aroha Correspondent, \textit{Thames Advertiser}, 11 March 1897, p. 3.

\textsuperscript{789} George Wilson to Minister of Mines, 29 June 1897, \textit{AJHR}, 1897, C-3, p. 98.

\textsuperscript{790} \textit{AJHR}, 1897, C-3, p. 106.

\textsuperscript{791} George Wilson to Minister of Mines, 29 June 1897, \textit{AJHR}, 1897, C-3, p. 98.

\textsuperscript{792} \textit{New Zealand Herald}, 3 August 1897, p. 6.
and Hero reefs was in 397 feet. The company was operating the tramway, at excessive cost.

During the following 12 months, the main reef in the Colonist was driven for 400 feet at a cost of £795 and 278 feet were driven in the Silver King for £486. Both reefs were low grade. The drive in the Colonist was designed to strike the junction of the Colonist and Hero lodes, but by October 1897 no quartz had been found because it ran ‘along the wall of the lode’. The drive on the Silver King was intended ‘to prove the ground at a greater depth, and to strike the main lode’. The average number of employees was 44, most either driving the low level tunnel or constructing a water race for it. ‘About £9,500’ had been spent, but the battery was ‘idle all the time’.

In February 1898, eight men were still working in the Colonist, the crosscut being in 420 feet and the reef driven on both ways for 300 feet, and six men had driven 240 feet along the Silver King lode in the Sceptre. The intention of both drives was to reach the junction with the main lode; should payable ore be struck there, ‘a suitable spot will be chosen and the advisability of erecting a plant to treat these reefs duly considered’. But at the beginning of April, the contract to extend the Colonist drive was cancelled. Work probably ended in the Sceptre around the same time.

THE LOW LEVEL DRIVE

Even before the New Zealand Exploration Company was formed, the original syndicate had decided, on the basis of Dunn’s advice, ‘to put in a main level up to the New Find boundary’ at a cost of from £40,000 to £50,000. In June 1898 shareholders were told that, when Aroha Gold

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793 Ohinemuri Gazette, 2 October 1897, p. 6.
794 For example, Ohinemuri Gazette, 27 March 1897, p. 3; Thames Advertiser, 20 July 1897, p. 2; Piako County Council, Waikato Argus, 23 April 1898, p. 4.
795 George Wilson to Minister of Mines, 12 May 1898, AJHR, 1898, C-3, p. 74.
796 New Zealand Mines Record, 16 October 1897, p. 103.
797 George Wilson to Minister of Mines, 12 May 1898, AJHR, 1898, C-3, p. 74.
798 New Zealand Mines Record, 16 February 1898, p. 299.
800 Te Aroha News, 7 April 1898, p. 2.
801 New Zealand Herald, 12 July 1895, Supplement, p. 2.
Mines was formed, ‘it was believed that the northern section of the mine’, meaning the Premier,

in which all the developments had been made, would be worked at a profit, there being about 15,000 tons of ore in sight. However, when stoping operations began it was found that the ore was too poor to pay. It had been expected that the whole of the property would be payable if treated on a large scale. That hope being removed, it was suggested that the main reef, although poor in itself, would present rich chutes of ore at its junctions with the numerous cross reefs existing on the property.802

It was expected that the 12 ‘known cross reefs’ would be intersected at a depth that provided ‘tremendous’ backs, meaning ‘over 2000 feet’.803

In late July 1895, Shepherd directed ‘about’ 12 men in ‘opening out the buck reef a little below where it crops out on the hillside above the township’. It was planned to drive ‘into the reef for some distance’ and then ‘run alongside of the reef the whole length of the company’s property, and samples of the quartz taken out at short distances, so that the big reef’ would be ‘for the first time thoroughly prospected’.804 This preliminary work was not continued. In August 1896, it was rumoured that the company was considering a low level tunnel commencing ‘close to the village of Waiorongomai’ that would ‘undoubtedly intersect the various shoots of ore, and prove them at a depth yet untried’.805 Early in September it was announced that the directors had accepted Daw’s recommendation that a tunnel be driven ‘from the village, or at a point just above the battery level. The adit will be of sufficient size to allow a locomotive engine’ to convey ore to the battery. The work, to be supervised by Daw and expected to cost ‘something like £30,000’ and to take ‘fully three years’, was ‘the only way of proving the large lode which traverses the property, and intersecting the rich shoots of ore which it is thought exist’.806 Shareholders were assured that tests had proved that good surface values had been found in the lower levels and that they owned ‘an enormous quantity of low grade ore’. After

802 Auckland Weekly News, 9 July 1898, p. 34.
804 New Zealand Herald, 1 August 1895, p. 6.
806 Ohinemuri Gazette, 2 September 1896, p. 3, 12 September 1896, p. 5; New Zealand Herald, 10 September 1896, p. 6.
explaining that the tunnel would reduce the cost of transporting ore to the battery, Perceval 'concluded by reading extracts' from Dunn’s reports. Dunn ‘had visited the property, and was very favourably impressed with the prospects’.

It was soon decided to drive this two-mile long tunnel from a site about 200 feet above the flat. Using a locomotive would enable ‘bringing out 50 tons of ore at a time, thus reducing the cost of carriage of ore to a minimum’. It was intended to drive ‘with the latest machinery worked by compressed air’, and once Daw finalized the plans he would let the contract for the first section in mid-September. As the ‘double-railed locomotive tunnel’ would pass through the former Trident claim, it was purchased ‘for that purpose, and also as a machine site’.

It is expected this extensive undertaking will take between four and five years to complete, and cost something like £60,000. As the tunnel proceeds along the line of reef, crosscuts will be put in at intervals of 50 feet to thoroughly prospect the huge mass of quartz. A small drive will also be put in about 100 feet overhead, and running in the same direction as the main tunnel, with connecting rises put in as required to provide a free current of fresh air in the lower workings.

(This small drive was never commenced.)

Daw supervised this project until July 1897, being replaced by Hunt with Charles Meinisch as consulting engineer. It was expected that the drive would prove the value of the main reef, de-water all the mines, and convey ore more cheaply than using the tramway, the ‘ample fall’ from the portal enabling the ore to ‘pass by gravity’ through the reduction works. ‘In fact the whole scheme of the tunnel was designed to treat low grade ores at the lowest possible cost’. Shareholders were informed that success depended upon it. It had been advocated by ‘all the experts’, for it would cut

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810 Thames Star, 11 September 1896, p. 2.
811 New Zealand Graphic, 26 September 1896, p. 395.
812 R.R. Hunt to Minister of Mines, 2 August 1897, Mines Department, MD 1, 99/588, ANZ-W; New Zealand Herald, 10 September 1896, p. 6, 3 August 1897, p. 6.
813 Declaration by R.R. Hunt, 22 July 1898, Mines Department, MD 1, 99/588, ANZ-W.
at a low level all the reefs intersecting with the main reef, where there was payable gold.\textsuperscript{814} ‘All the experts’ meant two; predictably, one was Dunn.\textsuperscript{815} The other was Daw, who ‘strongly’ recommended it as being, along with suitable treatment, ‘the only way to get good results’.\textsuperscript{816} One expert observer, George Wilson, wrote in June 1897 that it would enable the company ‘to open up their property in a systematic manner’.

The tunnel is being driven along the main reef, which outcrops the entire length of the property, a distance of two miles and a quarter. The backs will average 1,400ft, and the greatest depth reached will be 2,200ft. The tunnel will not only open up the main reef, but will intersect numerous cross-reefs where they junction, and will be of great service to the adjoining properties, by enabling them to work at a great depth without being troubled with water. This will no doubt become the main outlet for the ore for the whole district. The intention is to erect a large plant to treat the ore, and have a locomotive to convey it from all parts to the mill. The company have already spent about £10,000 in prospecting, development, ore-testing, and machinery, and are doing everything possible to hasten the completion of the main low tunnel, which is estimated to cost over £30,000.\textsuperscript{817}

One correspondent wrote that, while the undertaking was ‘certainly one of great magnitude’, there was ‘not a question of doubt’ that it was ‘the only way of proving in a practical way’ the main lode ‘and intersecting the rich shoots of ore which it is thought exist’. If it was successful, ‘the future outlook for Waiorongomai is indeed a bright one’.\textsuperscript{818} A reporter understood that, although the ore in the main reef was ‘very refractory in places’, north of where it was joined by the Silver King lode it was ‘fully expected that fairly rich stone’ would be obtained, ‘the ore being expected to be the medium between 2dwt and 5oz to the ton’. To reach this payable ore, about 2,000 feet had to be driven. The company had done ‘something like 3000 feet of driving and 300 feet of sinking’ to test the ore and the results were ‘considered satisfactory’.\textsuperscript{819} ‘The promoters of this gigantic enterprise’ were

\textsuperscript{814} Ohinemuri Gazette, 2 October 1897, p. 6.
\textsuperscript{816} Te Aroha Correspondent, Waikato Argus, 29 August 1896, p. 3.
\textsuperscript{817} George Wilson to Minister of Mines, 29 June 1897, AJHR, 1897, C-3, pp. 98-99.
\textsuperscript{818} Paeroa Correspondent, New Zealand Herald, 10 September 1896, p. 6.
\textsuperscript{819} New Zealand Herald, 3 August 1897, p. 6.
reportedly ‘very sanguine of success’, and those ‘competent to give an opinion’ firmly believed that ‘some rich shoots of ore’ would be intersected before the New Find, Colonist, and Premier workings were reached.\footnote{New Zealand Herald, 2 October 1896, Supplement, pp. 1-2.} Other companies would be able to use it for taking out their ore, on payment of ‘a tribute’.\footnote{Ohinemuri Gazette, 2 October 1897, p. 6.} It was intended to extend Peter Ferguson’s water race\footnote{See chapter on Peter Ferguson and his New Era.} from Diamond Gully to above the new tunnel, where the ‘direct fall’ of 600 feet would create ‘enormous power’ for ‘the most improved machinery, driven by compressed air’.\footnote{Waikato Argus, 15 September 1896, p. 2; New Zealand Herald, 2 October 1896, Monthly Summary, p. 1.}

Residents had high hopes. A farmer wrote on 24 February 1897 that if ‘this great work’ succeeded it would ‘make the whole district’.\footnote{Diary of E.R. Chudleigh 1862-1921, ed. E.E. Richards (Christchurch, 1950), p. 394.} But Leslie Warner, who described himself as an Auckland mining engineer, although the New Zealand Mining Journal had never heard of him, informed the Mining Journal of London that the barren ‘Buck reef’, which he had examined, would never be payable ‘whatever present processes may be adopted’. It had been tried over and over again by English and American practical mining metallurgists, and in every case proved a dismal failure. I made numerous enquiries from experienced men who have worked portions of it, and had been prospecting the same for years, and who subjected the quartz to all kinds of treatment, and still failed. Many stated it would not go 1dwt to the ton.

Being ‘confident’ it would ‘never pay’, he lamented the ‘enormous expenditure’ on it and other ‘gigantic works’. This ‘absurd’ scheme meant spending money ‘that could be more profitably employed for testing the other lodes, and treating same cheaply. I cannot understand why such gigantic operations should be carried out upon such a small “show” ’.\footnote{Letter from Leslie Warner, Mining Journal, n.d., reprinted in Thames Star, 23 December 1896, p. 2, and New Zealand Mining Journal and Financial Guide, vol. 1 no. 11 (1 January 1897), p. 164.}
Nearly two years later it would be revealed that other mining engineers had also opposed its construction.826

On 16 September 1896, Gavin turned the first sod.827 Contractors started working with three shifts at the end of October, finishing the first 50 feet within three weeks and taking out a contract for another 50 feet on the same terms.828 Its dimensions were 11 feet high by nine feet wide ‘in the clear’.829 A concrete tunnel was ‘put through a spur to carry off surface water from the gully’ beside the portal.830 By late February, eight sections of the high level water race had been let on contract, and at the mouth of the tunnel a site was being ‘cut out for air compressors, rock drills, etc’.831 The supervising engineer for the New Zealand Exploration Company, Charles Meinisch, inspected it in mid-February.832 At the end of that month, the contractors ‘threw up their contract’ because ‘they considered the price too low for the hard country they were passing through’. After fresh tenders were called, work resumed at £2 17s per foot.833 A correspondent wrote that miners from Karangahake were ‘to be imported, in lieu of the men who struck here for higher wages’, most of whom had ‘emigrated to Waitekauri’.834 Almost immediately, the contractors struck ‘very hard’ ground, meaning it would take them ‘all their time at that price to make anything more than fair wages’.835

In March, a ten-foot single nozzle Pelton wheel arrived from the Pelton Water Wheel Company in San Francisco to drive the air compressor ‘now on its way from England’.836 By then, ‘a good deal of work’ had been done ‘excavating and filling in to make room for the air compressors’. Two large wooden culverts had been constructed ‘to convey the water coming down the hill away and to drain water from the mouth of the tunnel and to connect

826 Thames Advertiser, 17 November 1898, p. 3.
829 George Wilson to Minister of Mines, 29 June 1897, AJHR, 1897, C-3, p. 98.
830 New Zealand Graphic, 31 October 1896, p. 585.
831 Waiorongomai Correspondent, New Zealand Mining Standard, 27 February 1897, p. 9.
832 Ohinemuri Gazette, 17 February 1897, p. 2; New Zealand Herald, 3 August 1897, p. 6.
833 Ohinemuri Gazette, 3 March 1897, p. 3, 10 March 1897, p. 2.
836 Thames Star, 2 March 1897, p. 4.
with the large concrete culvert below’. The wheel and other machinery were ‘ready to be fixed into position’.837 There were plans to use the wheel to light the tunnel by electricity.838

As the hard stone on the footwall slowed progress, after 250 feet the tunnel was cut through the reef to the hanging wall, where the country was much easier and better progress could be made, although it now had to be timbered. At 450 feet, the first crosscut proved the reef was 12 feet thick and not payable.839 Late in June ‘a powerful windlass’ was erected ‘on top of the new graded tramway to the big tunnel level’. The manager would ‘start removing timber up to the scene of future operations after the holidays’.840 In the absence of the local newspaper, details of the construction of this new tramway are not known, but it can still be followed along the hillside to the portal. By mid-July, £3,000-worth of machinery had been hauled to the machine site. In the tunnel, the contractors were ‘at last in more kindly country - good reefing, with an occasional stringer’. A track had been made to the surveyed water race to enable timber to be taken up.841 Frank Roche of New Zealand Crown Mines supervised the installation of the air compressor, ‘a two-stage one, having cylinders 13 inches and 21 inches by 24-inch stroke’, which would ‘run at the speed of 86 revolutions per minute’.

It will be fitted with Riedler’s patent valves (said to be the first erected in the colony), which are claimed to give about 20 per cent more efficiency than those generally used. A Pelton wheel, 10 feet in diameter, will work under a head of 640 feet, giving 120 horsepower, the power being developed with an inch and a-quarter jet running at 190 revolutions per minute, the compressor being driven with seven-inch and a-quarter ropes.842

Reporting in late August on the work done to the end of April, the directors stated that driving ‘had been slow and costly, though so soon as water power was available to work the rock-drills progress would be more


839 James Coutts to Minister of Mines, 5 February 1898, Mines Department, MD 1, 99/588, ANZ-W.

840 *New Zealand Mining Standard*, 24 June 1897, p. 4.


842 *New Zealand Herald*, 3 August 1897, p. 6.
rapid. The formation level of the water-race to work the compressor and rock drills had been completed to the second branch of the Army Creek, and the construction would be commenced as the timber arrived. They were considering reducing the size of the tunnel to ‘make it serve merely for the purpose of prospecting’. Meinisch had already decided that this was necessary: in mid-July, when the tunnel was in about 500 feet, he decided to reduce its dimensions to eight feet by eight feet to ‘greatly facilitate the progress of driving operations’ and reduce costs. This size was identical to the Moanataiari main level at Thames. The reduction resulted from the decision to use either a wire rope or electricity instead of a locomotive, making the cost ‘somewhat less’; or horses might be used. Judging from comments recorded by Raymond Radclyffe, an Englishman visiting Hauraki, Meinisch had doubts about how the property was being developed:

When I was first at Karangahake we all sat together at one long table in the little inn – miners, carters, loafers, and mine managers. The host was a dear, good fellow, who was much disturbed at the sight of Rothschild’s tame expert having to sit down next to a common labourer. As for Meinisch, he didn’t care a straw who sat beside him, so long as he didn’t ask him what his opinion was about Daw’s new system of wet crushing, or whether he considered the Te Aroha tunnel a sound financial scheme.

Having been told ‘that Rothschilds were interested’ in the mines and of the ‘hot springs of great virtue’, Radclyffe visited Te Aroha.

At the mines you may inspect a tunnel which is being driven into the mountain alongside one of the largest bodies of quartz I have ever seen. It is not pretended that the reef contains gold in payable quantities, but it is hoped that the leaders will. The tunnel matches the reef in size. It will take, I believe, a full-sized

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843 Ohinemuri Gazette, 2 October 1897, p. 6.
844 James Coutts to Minister of Mines, 5 February 1898, Mines Department, MD 1, 99/588, ANZ-W; Thames Advertiser, 15 July 1897, p.2; New Zealand Herald, 3 August 1897, p. 6.
846 R.R. Hunt to R.S. Bush, 2 August 1897, Mines Department, MD 1, 99/588, ANZ-W.
848 Radclyffe gave his name as ‘Minnick’.
849 Raymond Radclyffe, Wealth and Wild Cats: Travels and researches in the gold-fields of Western Australia and New Zealand (London, 1898), p. 150.
locomotive. It is one of the boldest mining exploits I have ever met with. They are very fond of tunnels in New Zealand, and the honour of having begun the roomiest and most palatial now rests with Mr Daw. He is envied by every mine manager in the North Island. For the rock is extremely hard, and it will take many years to complete the work.850

On 3 June, Hunt informed the Minister of Mines, Alfred Jerome Cadman, that because prospecting had ‘not been satisfactory’ and no payable ore had been struck, the company was hesitating to erect a new battery. When the tunnel reached the Premier ground, there would be 1,700 feet of backs, but no payable shoots were expected until it was in at least 3,000 feet. The directors, therefore, requested a £ for £ subsidy for what would be ‘a work of public utility’ similar to the sinking of deep shafts at Thames, and were sending Gavin to explain it. ‘He knows all about it and also the history of the field from the beginning; and how it was virtually once abandoned, because a subsidy could not be obtained from the Government’. Once rock drills were used, it would be driven much faster, for the same cost. It had been reduced in size to that of the Moanataiari tunnel at Thames, six feet six inches high and eight feet wide, sufficient for a double line of rails. Haulage by wire ropes would reduce cost ‘to the utmost point’.851 Cabinet refused a subsidy.852

By August, erecting the compressor was ‘proceeding apace’, and despite ‘many difficulties to contend with’, it was anticipated that the rock drill would ‘be at work within six weeks’.853 Cadman was informed that work was being ‘prosecuted vigorously’ with three shifts a day.854 Based on his ‘thorough knowledge of the district and its peculiarities’, Gavin was confident of ‘future success’.855 Heavy rain late that month created a slip near the portal, ‘exposing a portion of the western side of the reef. The high pressure cylinder connected with the drilling plant ... was partially buried’.

850 Radclyffe, p. 169.
851 R.R. Hunt to Minister of Mines, 3 June 1897, Mines Department, MD 1, 98/657, ANZ-W.
852 Under-Secretary, Mines Department, to R.R. Hunt, 17 August 1897, Mines Department, MD 1, 98/657, ANZ-W.
853 New Zealand Herald, 3 August 1897, p. 6.
854 R.R. Hunt to Minister of Mines, 2 August 1897 (telegram), Mines Department, MD 1, 99/588, ANZ-W.
855 New Zealand Herald, 3 August 1897, p. 6.
The contractors had attained 600 feet, the stone being ‘of the good reefing class’. By that month, the contract to erect the water race had been let for £532 17s 6d, and timber for it was being supplied as quickly as possible. ‘Extremely wet weather’ delayed its construction in early October; however the stone in the tunnel, by then in 725 feet, was easy to drive. By December, the tunnel was in 800 feet, but had another 1,200 feet before it reached ‘under the point where a large lode is said to have yielded payable quartz on the surface’.

By late January 1898, the water race was completed and filled with water, the penstock was nearly ready, the Pelton wheel and air compressor were in place, and the rock drills were due to arrive. The compressor would be started, it was estimated, within three weeks. The contractors had ‘a full complement of men going, working three shifts’. The following month, according to one report, 12 men on contract and two on wages were working in the tunnel, and another six were ‘driving a cross-cut across the run of the reef’. However, the mining inspector, James Coutts, recorded 36 men working in it. He also noted that the reef had ‘been cut into in several places along the drive but the quartz does not look promising and the assays made from time to time had been poor’. On 1 February, a rumour was published that a ‘reef showing gold’ had been cut. Four days later, the Te Aroha News reported this rumour was incorrect and that one was not expected before driving ‘a considerable distance more’. The tunnel, now running along the footwall, was 1,028 feet long, and ‘some distance back from the face a cut was made into the reef, and though there was about 30ft of quartz showing, the ore was of low grade’. The rock drills had not started

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856 Te Aroha News, n.d., reprinted in Thames Advertiser, 28 August 1897, p. 3; for a photograph of the portal, see Auckland Weekly News, 4 September 1897, Supplement, p. 2, photograph no. 7.

857 R.R. Hunt to Warden, 2 August 1897, Mines Department, MD 1, 99/588, ANZ-W.

858 New Zealand Mines Record, 16 October 1897, p. 103.

859 New Zealand Graphic, 4 December 1897, p. 755.

860 R.R. Hunt to Minister of Mines, 21 January 1898, Mines Department, MD 1, 99/588, ANZ-W.

861 Te Aroha News, 27 January 1898, p. 2.

862 New Zealand Mines Record, 16 February 1898, p. 299.

863 James Coutts to Minister of Mines, 5 February 1898, Mines Department, MD 1, 99/588, ANZ-W.

864 Thames Advertiser, 1 February 1898, p. 3.
‘owing to the small quantity of water’ in the race. The drills were needed, for at 1,069 feet the country was getting harder.

In late February, the air compressor was ‘anticipated’ to be ‘at work shortly’. It was described as ‘a very fine one, probably one of the best in the colony’. By the beginning of March, the tunnel had been driven by contractors working three shifts at ‘an average of 80ft per month’ at a cost per foot, ‘including rails, timber, etc, of £2 15s’, which one mining reporter considered ‘not a bad average’. By the end of that month, the tunnel had attained 1,230 feet ‘along the western wall of the main reef, the course being about due north’. Wilson described it in his May report:

The tunnel is closely timbered with 10in by 8in sawn rimu, with split slabs. A 20in by 9in rimu box-drain is carried along the centre of the drive underneath the tram-line, which is a single line with pass loops, laid of 14lb steel rails on 6in by 4in sleepers. The cost of the tunnel per foot when completed will be about £3. Three crosscuts have been put through the reef, and a fourth is being put through at present in the face, where there is a strong reef. It has been broken into 4ft, but so far, while carrying a little gold and silver, is not payable. The air is good, though a little warm, and is being kept cool by means of a water-blast and fire-draft, which are both temporary, being connected with the 2in and 7in pipes laid for the rock-drills which it is intended to use in driving the tunnel later on. The water-blast is sending the air along the 2in pipe, while a small furnace connected with the 7in pipe is drawing out the smoke and warm air. This keeps the face cool and clear of fumes from the explosions. Blasting gelatine is used. This is found to be very effective, as the amount used per month is only 150lb, while the distance driven is 80ft, and the ground taken out is 10ft by 10ft. The tunnel is fairly dry, the largest stream of water met with being in the face at present.

The large air compressor erected at a cost of £2,630 would be driven by water provided by the high level race, which was either 60, 62 1/2, 63, or 64 chains long, according to different reports, and was ‘flumed with best heart

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865 Te Aroha News, 5 February 1898, p. 2.
866 Thames Advertiser, 28 February 1898, p. 4.
867 Thames Star, 16 February 1898, p. 2.
869 George Wilson to Minister of Mines, 12 May 1898, AJHR, 1898, C-3, p. 73.
870 George Wilson to Minister of Mines, 12 May 1898, AJHR, 1898, C-3, pp. 73-74.
of kauri’. Either way, it was not the length first intended, its water coming not from Diamond Gully but from Army Creek, where the concrete foundation of the intake dam can still be found. It had cost £1,100, and the penstock and pipes to the compressor cost £1,352. The race was ‘connected with the 10ft Pelton wheel by 1,300ft of 14in steel pipes, giving an effective fall of 640ft, which will enable the Pelton to be driven 190 revolutions per minute, developing 104-horse power’. Once the rock drills operated, Wilson believed ‘the tunnel should be carried on much faster and cheaper’. It was estimated that the drills would mean ‘nearly twice the work’ could be done.

Early in March, Gavin organized men to extinguish a bushfire that threatened to destroy the race. By early April, air pipes were being laid into the tunnel. But all the development had cost ‘about £9,000’. One observer considered it ‘very doubtful whether the original intention of extending the tunnel the whole distance will be adhered to, unless, of course, payable ore is struck which will admit of simultaneous development’. There was much more ‘unproductive work’ to be done before the first lodes were intersected, but ‘the scheme as devised was correct in principle and should be given a fair trial’.

On 16 April, Gavin informed Cadman that he was so confident that the tunnel would find good ore that he had spent all his money on local mines and ignored ‘tempting offers to go to Coolgardie and other places’. The tunnel was in 1,220 feet, but would almost certainly be stopped because, he claimed, the company’s capital was exhausted and no more could be raised without some inducement. As usual, the inducement was a government subsidy, which would mean the company would find more capital. After stressing the amount spent purchasing machinery and constructing the water race, he warned that the district would not get ‘another chance for

871 James Coutts to Minister of Mines, 5 February 1898, 18 April 1898, Mines Department, MD 1, 99/588, ANZ-W; Special Reporter, ‘The Mining Outlook’, Auckland Star, 3 March 1898, p. 5; Ohinemuri Gazette, 24 March 1900, p. 2.
872 James Coutts to Under-Secretary, Mines Department, 18 April 1898, AJHR, 1898, C-3A, p. 53.
873 George Wilson to Minister of Mines, 12 May 1898, AJHR, 1898, C-3, p. 74.
875 Ohinemuri Gazette, 12 March 1898, p. 2.
876 Te Aroha News, 7 April 1898, p. 2.
some time’ if the company ceased operations, and the tunnel might never be extended. Two crosscuts had been made to prove the reef, and he was recommending that a third be made at the present face, 400 feet north of the last one.878 Cadman’s response was that the government could not agree ‘without making similar grants in other Mining Districts throughout the Colony’, which would be unaffordable.879 Although the reason for the request was not made public, the refusal to assist was.880

At the end of April, the Te Aroha News understood that the prospects at depth were ‘of a favourable character’, and anticipated ‘an era of exceptional activity’ in ‘ascertaining beyond a doubt certain facts in connection with the famous hill’.881 In May, when in 1,230 feet, and 400 feet after the reef had last been cut and discovered to be 30 feet wide and ‘rather split up’, both sides of the reef were tested. The lode was now ‘more compact’.882 However until the Silver King was lode was struck, after driving about another 800 feet, there was no possibility of any return.883

In late June, when the tunnel was reported to have reached 1,247 feet, all work ceased.884 A later report gave the distance as 1,670 feet;885 it had in fact attained 1,254 feet one week before driving ceased, and the cost of driving it, including the provision of timber, was £3 per foot, making a total of £3,762.886 The timber cost £420, and consisted of 207 sets of 10 by 8 kauri

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878 Thomas Gavin to Minister of Mines, 16 April 1898, Mines Department, MD 1, 98/657, ANZ-W.
879 Minister of Mines to Thomas Gavin, 28 May 1898, Mines Department, MD 1, 98/657, ANZ-W.
880 Te Aroha News, 29 May 1898, p. 2.
881 Editorial, Te Aroha News, 28 April 1898, p. 2.
884 Thames Advertiser, 24 June 1898, p. 3, 25 June 1898, p. 4.
886 Thomas Gavin to Minister of Mines, 17 June 1898, Mines Department, MD 1, 99/588, ANZ-W.
and rimu timber, a 2 by 1 box drain, and five-foot long sleepers.\textsuperscript{887} The rock drills had never been used.\textsuperscript{888}

\section*{THE BATTERY}

As Henry Hopper Adams had mostly dismantled the existing battery, in 1896 machinery had to be purchased from A. & G. Price of Thames.\textsuperscript{889} Early in that year, the water race was repaired and the battery made ready.\textsuperscript{890} In August, when it was crushing continually, a shed 30 feet by 12 feet was erected to house two cyanide vats capable of holding 10,000 gallons.\textsuperscript{891} This 'small cyanide plant' was 'erected for experimental purposes only', and when the results of tests were known the directors 'would decide as to the most suitable process and plant, and no effort would be spared to carry out the policy of handling on a large scale the ore at a minimum of cost'.\textsuperscript{892} In October, it was decided to treat

some thousand tons of stone, already at grass, through by the dry process, as an experiment. The drying kiln is completed and the ten head of stamps are in thorough working order. The arrangements made for treating the stuff are very handy and compact. The ore will be run by tramway into the kiln, capable of holding about 100 tons, where it will be built up on layers of firewood, and so thoroughly dried, roasted and desulphurised. It will then be passed through a stone-crusher of a rather ancient pattern, by the way, into the stamps.... The pulverised product from the stamps is then conveyed to the vats by way of a storage hopper. The experiment will be watched with interest.\textsuperscript{893}

By mid-November, the cyanide plant was 'all but completed. A large quantity of roasted quartz' was ready for treatment and crushing was about

\textsuperscript{887} Thomas Gavin to Minister of Mines, 17 June 1898 [second letter written on that date], Mines Department, MD 1, 99/588, ANZ-W.

\textsuperscript{888} Declaration of R.R. Hunt, 22 July 1898, Mines Department, MD 1, 99/588, ANZ-W.


\textsuperscript{890} \textit{New Zealand Herald}, 27 February 1896, p. 6.

\textsuperscript{891} \textit{Thames Advertiser}, 10 August 1896, p. 2, 8 October 1896, p. 3.

\textsuperscript{892} London Correspondent [3 October], \textit{Auckland Star}, 5 November 1896, p. 2.

\textsuperscript{893} \textit{Thames Advertiser}, 8 October 1896, p. 3.
to start. The reconstructed battery consisted of one rock breaker, ten stamps, two berdans, one retort, one gold-melting furnace, an assay furnace, and a cyanide plant. About 1,000 tons of Premier ore would be treated ‘to thoroughly prove’ the process. By the following February, the battery was closed after ‘the experimental crushing’. Wilson reported that 708 tons was treated,
of which 308 was crushed wet with amalgamation, while 400 tons was dry crushed, and treated with cyanide. The percentage of bullion extracted by wet-crushing and amalgamation was 42 per cent, against 85 per cent yielded by dry-crushing and cyanide.... Each stamp crushed per day 35cwt of wet and 1 ton of dry quartz. The battery was working sixty days.

Another report stated that ‘some 800 tons’ were processed, half treated wet and half dry. It confirmed that 43 per cent was saved by wet crushing but gave 75 per cent from dry crushing. ‘Though the dry-process gave the best actual results’, because ‘with wet crushing two tons can be put through to one ton with dry crushing’ while the cost of cyanide remained ‘about the same, the cost of labour a little more’, the ‘exhaustive trials’ led to the decision to use wet crushing. Another reason was to preserve ‘the health of the men’, a reference to quartz dust. The experimental plant had produced 68.5 ounces of gold and 29.5 ounces of silver, worth £281 12s 8d. After this crushing, the battery was idle, and there were plans to dismantle it and erect a new one at the mouth of the new low level tunnel. This would, probably, have 50 stampers and be a ‘combination’ plant for both wet and cry crushing. One reason for dismantling the battery was that its water

894 Auckland Star, 18 November 1896, p. 2.
895 AJHR, 1897, C-3, p. 103; 1898, C-3, p. 79.
896 New Zealand Herald, 2 October 1896, Supplement, p. 2.
897 Thames Advertiser, 11 March 1897, p. 3; ‘Werahiko’, ‘Our Te Aroha Letter’, New Zealand Mining Standard, 6 March 1897, p. 5.
898 George Wilson to Minister of Mines, 29 June 1897, AJHR, 1897, C-3, p. 98.
900 New Zealand Gazette, 8 April 1897, p. 840.
901 New Zealand Herald, 3 August 1897, p. 6.
race was ‘out of repair’ and required ‘considerable sums’ spent.902 It was not dismantled, instead being leased to the Great Western Company.903

In addition to experimenting to discover the best process, parcels were sent to New York, San Francisco, Berlin, Melbourne, Broken Hill, ‘and other places’.904 In August 1896, when samples were sent to London for treatment, a Te Aroha correspondent reported that when ‘the proper process’ was ascertained, the company proposed to erect ‘a large plant, which will probably be one of the finest in the world’. On the basis of ‘assays made and values ascertained’, Daw believed this would be ‘the only way to get good results’. The company had pegged off ‘a battery site and furnace reserve site’ adjacent to the low level drive, ‘so that it looks like business’.905 The ‘extensive reduction works’ would be capable of treating 100 tons a day, meaning from 30,000 to 40,000 annually. It would be ‘built upon the new site between the old battery’ and the low level drive, which was so ‘convenient’ that the ore could ‘be taken direct to the kilns by the locomotive’ and ‘thence on down the hill to the reduction works’.906 By mid-1897, it had been decided to erect 100 stamps.907 In 1898, a description of the planned battery noted that, as the portal was about 200 feet above the flat, all ore would pass through it ‘by gravitation, thereby reducing crushing charges’.908

THE END OF THE NEW ZEALAND EXPLORATION COMPANY

The annual general meeting held on 11 March 1897 was attended by ‘a very cheerful body of men’ who had already received ‘the comforting knowledge that they were to receive a dividend of 2s 6d on each of their shares’ and ‘that the profits for the year enabled them to add an amount to the reserve fund of the Company that would make that “nest egg” equal to rather more than 10s in the pound on the entire paid up capital’. Perceval’s

902 Te Aroha News, 7 April 1898, p. 2.
903 Ohinemuri Gazette, 5 May 1898, p. 4.
905 Te Aroha Correspondent, Waikato Argus, 29 August 1896, p. 3; see Te Aroha Warden’s Court, Hearings 1883-1900, Applications 210-213/1896, BBAV 11505/1a, ANZ-A.
907 R.R. Hunt to Minister of Mines, 3 June 1897, Mines Department, MD 1, 98/657, ANZ-W.
opening speech ‘was commendably brief and to the point. “Good wine needs no bush,” and Sir Westby is not a man to talk for talkings sake’. He presented the report for the period ending 21 December 1896:

With a paid-up capital of £75,000, we have during our first year made an aggregate profit of £52,726 9s 6d. This includes £25,249 18s premium on the sale of shares, which the directors have placed to reserve. The balance available after paying all expenses and debiting all ascertained losses is £27,476 11s 6d. This sum would, of course, enable us to pay a much higher dividend than the 2s 6d per share, or 12 1/2 per cent, which is proposed. We hope, however, that we have anticipated the wishes of the shareholders in placing a further sum of £16,500 to reserve, [providing a total] sum of £41,749 18s. We feel that it is prudent to ask the shareholders to accept a dividend which some may deem low, and to strengthen the position of the Company by building up a substantial reserve. 909

The directors also recommended a dividend of £6 9s 6d per founders’ share. 910 ‘We have now completed our organization’; Hunt had proved himself ‘a most zealous and competent’ business manager, and they had ‘an experienced mining engineer and capable staff. Great benefit has resulted to our company from the establishment of our Paris office’. During the past year the company had ‘acquired and disposed of two well-known properties’, New Zealand Crown Mines and Aroha Gold Mines. Acquiring rights over the Kauri Timber Company’s land had cost £13,500 8s 7d, and arrangements had been made to form another subsidiary company to prospect and develop this area. He concluded with ‘a few words’ on the promising results of English capital being invested in New Zealand.

The goldmining industry of the colony has never looked so promising as it now does. Time is, however, a necessity, especially in the case of mines controlled on this side of the world and situated on the other. A year in the life of a mine is very short, and when plant has to be erected and machinery imported, the first year’s operations do not often show much results. I make these remarks in order to show to you that the directors have great confidence in the future of mining in New Zealand. There will be a certain number of failures, no doubt, but, on the other hand, there will undoubtedly be a sufficient number of successes to prove that New Zealand must from this time forth be regarded


as one of the permanent and payable gold producing countries of the world.911

Crown Mines had produced gold to the value of £29,683 during the past year, and its ‘output would be largely increased at a less cost by the adoption of the wet crushing process instead of the dry. The Aroha property was being developed with very encouraging results’. When asked about the extent of holdings in these subsidiaries, Perceval ‘did not think it was advisable to go into details, but he assured the shareholders that every possible care had been taken in respect of the investment, and there was not the slightest cause for alarm. The company had made a very handsome profit on both these purchases’. When the questioner pointed out the ‘great fall’ in share values, Perceval responded that all shares had fallen recently and ‘predicted that they would soon go up again’.912 Crown Mines was indeed successful, issuing its first dividend in mid-1897.913 Because of this, the company considered constructing a railway linking Paeroa, Waitekauri, and Waihi, without government assistance, but abandoned this idea when the government decided to construct one.914 New Zealand Crown Mines, the company’s profitable subsidiary, would produce gold worth £78,280 in the year to 31 March 1904, its best 12-months, and before winding up in 1911 had paid £70,000 in dividends.915

In March 1898, the annual general meeting of the Exploration Company was informed that ‘the New Zealand Exploration Company’s prospects are greatly improved by the satisfactory basis upon which it has now been established’.916 But in mid-April Hunt announced that the company would cease all business in New Zealand in three months’ time.917 The New Zealand Herald, in a report reprinted in the Te Aroha News, wrote that, in addition to capitalizing Aroha Gold Mines, it had purchased Crown Mines for £50,000 and provided the same sum in working capital, resulting

911 London Correspondent, Auckland Star, 26 April 1897, p. 3.
912 Auckland Weekly News, 1 May 1897, p. 20.
913 New Zealand Graphic, 10 July 1897, p. 86, 17 July 1897, p. 108.
916 British Australasian, 31 March 1898, p. 714.
917 New Zealand Gazette, 28 April 1898, p. 715.
in this property becoming one of the largest gold producers in Hauraki. It had also

vigorously prospected, at a cost of thousands of pounds, all the Kauri Timber Company’s land outside the area held by the Kauri Freehold Gold Estates (Limited) while they also proposed to find capital to construct a railway from Paeroa to Waihi had not the Government intervened, and announced their intention of causing a survey to be made of the line. On the attempt of the Government to impose a 5 per cent tax on all profits instead of 5 per cent on half the dividends, as previously paid,

the directors instructed Hunt to abandon the railway project ‘and every other prospecting interest’, for they had decided to abandon New Zealand ‘to escape taxation’. 918

On 9 May 1898, the annual general meeting was chaired by Lukach, Perceval having ‘retired from the board chiefly for the reason that they had for the present abandoned business in New Zealand’. 919 A shareholder who asked why Perceval had resigned mentioned that he had bought shares only because he was a director. The response was that, because the company was no longer doing business in New Zealand, Perceval ‘thought he could do no good for it outside the colony’; nevertheless, ‘his advice and assistance would always be at the service of the company’. 920 There was no evidence that Perceval had any further involvement, although he continued to make a profitable career out of being a director of other English companies. 921 Immediately after resigning, he became chairman of directors of Consolidated Goldfields of New Zealand. 922 In 1906, he was a director of ‘several leading mining companies’, in particular being chairman of directors of New Zealand Crown Mines and a director of the Waihi Gold Mining Company. 923 He was ‘a big financial gun in London’, according to the Observer. 924

918 New Zealand Herald, 20 April 1898, p. 6, reprinted in Te Aroha News, 21 April 1898, p. 2.

919 Mining Journal, 14 May 1898, p. 561.


921 For example, Auckland Weekly News, 10 May 1906, p. 26, 17 February 1910, p. 33.

922 British Australasian, 19 May 1898, p. 1051.


924 Observer, 29 December 1906, p. 4.
Lukach told the May 1898 meeting that, although in the past year the company had made a loss of £51,296, its reserve fund had met this loss without encroaching too much on its capital. As only Crown Mines was profitable, operations in New Zealand were being suspended. Management had been moved from Paris to London, the Paris directors resigning to enable more English ones to be elected. The company ‘had now a very strong organization, and they had friendly relations with several influential groups’, which would continue, and they would ‘direct themselves to participate in business thus introduced to them’, as they had done profitably so far.925

That was the brief report published in the *Mining Journal*. An expanded version quoted Lukach giving two main causes for the financial loss. The first was spending ‘a large amount of money’ in prospecting land belonging to the Kauri Timber Company without finding any payable deposits.

Another severe loss was involved in the heavy fall in the value of the shares held by the company in the Aroha Gold Mine. That company had been equipped with a large working capital. Most of it was spent in development, but after the expenditure had been incurred it was seen that the ore was of so low grade that it would not pay to work the mine at all.926

A London journal regretted ‘such a poor report’, as the company was ‘a very strong one, and for the sake of the colony it is to be deplored that such a powerful organisation should be suspending operations’.927 In mid-1899, in commenting on the ‘disappointing results’, Lukach stated that the company’s involvement in New Zealand had been

entered into upon what was considered sound and reliable advice, and none regretted the unfortunate outcome more than your directors. They recognised, however, that it was absolutely necessary to close up all outstanding commitments in the colony, and to write down to a nominal amount the ventures which had proved so disastrous.928


927 ‘Our City Man’, *British Australasian*, 12 May 1898, p. 1005.

A London correspondent commented on the May 1898 meeting:

It would be idle to ignore the fact that the state of affairs disclosed at the meeting is a very unlucky and deplorable one so far as New Zealand is concerned. I can hardly present the case in a more forcible light than to quote certain figures from the balance-sheet. “Sundry property in New Zealand” was valued on December 31, 1896, at £12,500. During last year the sum of £7442 was expended upon that property, making its total value and cost up to January 1, 1898, £20,942. The value of the property – “options” principally – to-day is estimated by the directors at just £10! No less a sum than £20,932 has been written off at one fell swoop. Even this is not all, although, perhaps, it is relatively the worst item. “Sundry investments,” which had been valued at £84,512, now appear as representing only £57,712, £26,800 having been written off. “Sundry debtors owe the company £6539. Of this, £1308 is marked as “doubtful.” Naturally, these disappointing disclosures have caused a good deal of talk in the city, and have tended materially to deepen the gloom in which New Zealand mining investments have been for so long immersed. Sir Westby Perceval’s resignation from the New Zealand Exploration directorate has not tended to improve matters, or to brighten the public view of the case…. The fact of his resigning his seat on the Board, coupled with the other fact that the company is now shown to have lost more than £50,000 during the past year just expired, must have a tendency to send the barometer of public confidence to a point still lower than any at which it has stood for some considerable time. That newspaper comment would be lacking could hardly have been expected. In some cases where it might have been looked for, a grim silence has prevailed, but in other cases there has been some fairly plain speaking.929

The annual general meeting held at the end of June 1899 was informed that a gross profit of £24,491 had been achieved for the past year. ‘Expenditure, loss, depreciation, and reserve arising out of the old New Zealand business absorbed £11,448. This large amount represented the writing off of the New Zealand assets to nominal valuations’. All involvement there had ceased, and by investing ‘in other directions’, unspecified, the company had been able ‘almost to reconstitute the entire issued capital of £75,200’.930 By that time, there were 216 new shareholders,

two being companies: the Exploration Company was now listed as having 35 ordinary shares and 30 founders' shares, and the London-based African Metals Company had 500 ordinary ones. One new shareholder did not specify his residence; one each lived in Ireland, Wales, and Ceylon, two in Austria, six in Belgium, eight in Germany, 13 in Switzerland, 68 in Paris and five in the rest of France, and 93 in London and 17 in the rest of England. A preponderance of those living in England did not have ‘English’ surnames. 167 gave their occupation as ‘gentleman’, of whom 13 gave their address as the London Stock Exchange. As well, there was a count and a chevalier, a judge, two doctors and two clergymen, a major, a butcher, and two men who did not specify their occupations. Three women held shares: one was married, one was a widow, and one was a daughter of another investor. The executors of de Hirsch had sold all his remaining shares, 7,092, on 8 September the previous year, but his widow retained 31 founders' shares and 7,842 ordinary ones, indicating that he had acquired more of the latter after the company was floated. Hunt had received and retained his ten founders' shares. Although May had sold 100 shares on 13 June 1899, he still retained 550. Most of the other founders had retained their founders' shares, and D'Harpou, Kulp, Levy, Lukach, and May had retained some of their ordinary shares. Perceval had only kept four of his five founders' shares.931

The value of its shares had declined steadily since the company was floated.932 Despite its failure, share prices continued to be quoted.933 On 6 June 1901, the shareholders resolved to wind up the company.934 At the meeting held three weeks later, the chairman, Matesdorf, seconded by D'Hautpoul, moved that this decision be confirmed.

Mr Pollak recommended that the liquidation should be carried out as quickly as possible, and that there should be no further speculation. He asked, could the directors obtain a bid for the company’s holdings?


932 Weekly share quotations in *British Australasian*, 17 September 1896, p. 1548-29 December 1898, p. 2264.

933 For example, *Mining Journal* (London), cited in *Thames Star*, 11 January 1900, p. 3.

The chairman, in reply, stated that it was the intention of the
directors to liquidate as quickly as possible without throwing
anything away. The company had some assets connected with the
traction business in Paris, as to which there might be a difference
of opinion. The directors, however, believed that those shares
were at a very low ebb at the present time, and that they were
more likely to rise than fall in value. With respect to the other
assets of the company, it was intended to sell them as quickly as
possible,

and he offered to give shareholders a list of assets and accept bids. The
directors wanted ‘to liquidate in such a manner as to get more than the 16/-
and a few pence which they could obtain to-day. They had already
liquidated sufficient to pay out ‘between 5/- and 6/- a share’. The motion was
‘unanimously confirmed’.

The decision to withdraw from New Zealand was in part the result of
the deaths of two men. On 2 July 1896, Wilson, in his role as ‘general
inspector’, inspected the mines at Te Puke known as Fleming’s Freehold
with Malcolm Fleming, having ‘practically made arrangements, on behalf of’
the company, to float this property. After lunch, Wilson along with
Fleming and the mine manager ‘proceeded to the top of the range. On
reaching the summit he stretched out his arms and exclaimed, “What lovely
scenery!” and then immediately fell to the ground’, dying instantly.
Fleming gave a different version of his last words: ‘What a splendid view
one gets of the contour of the country’. In falling, his head ‘struck a slab
lying on the ground’. His inquest determined that ‘for a long time before’
his death aged 61 he ‘did labour and languish under a grievous disease of
body to wit fatty degeneration of the left ventricle of the heart’ and died ‘by
the visitation of God, in a natural way, of the disease and distemper
aforesaid’. His death certificate described him as a ‘mining expert’.

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935 Auckland Star, 30 July 1901, p. 2.
937 New Zealand Herald, 3 July 1896, p. 5.
938 Statement of Malcolm Fleming, Inquest into Jules Wilson, 3 July 1896, Justice
Department, J 46 COR, 06/399, ANZ-W.
939 Inquest into death of Jules Wilson, 3 July 1896, Justice Department, J 46 COR, 06/399,
ANZ-W.
940 Death Certificate of Jules Wilson, 2 July 1896, 1896/1289, BDM.
The annual general meeting of the company in March 1897 was informed of the death of de Hirsch, ‘who was chiefly instrumental in the formation of the company, and to whose business acumen and knowledge of New Zealand much of its success was attributable’.\(^\text{941}\) He had died ‘very suddenly’ in Paris in December 1896, ‘to the great loss of the company, and indeed of the whole mining community’.\(^\text{942}\) In his 1906 report on Waiorongomai, Frederick Capel Brown, general manager of the Komata Company, stated that driving the low level tunnel was reputedly stopped because of ‘the death of one of the leading men in the enterprise’.\(^\text{943}\)

**THE GOVERNMENT BLAMED**

In April 1898, a *New Zealand Herald* reporter questioned Hunt ‘as to the exact reasons’ for the company leaving. Hunt claimed that it appeared New Zealand did ‘not require outside capital to develop her mining resources - that is the conclusion one is forced to arrive at by the lack of encouragement given to, and the disabilities placed in the way of, capital for investment in mines’. He said that ‘the first thing that caused a want of confidence’ in the legislation was an attempt to resume freeholds. Although this had not happened, there was ‘much discontent at the time about the want of finality of the legislation - new mining Bills being introduced each session, to the general upsetting of the minds of those who were ready to embark money in mining ventures’. The ‘last straw’ came over paying tax on profits made outside New Zealand. The company had made ‘certain profits’ in the Aroha and Crown flotations, and by sale of their own shares at a premium. Well, that profit was made at Home, and no profit whatever has been made by the Exploration Company in the colony. But because the Exploration Company had the temerity to establish an office in the colony, the Income Tax Department has sought to collect a tax on profits made outside the colony, on which we have at the present time to pay the English income tax duties - practically asking us to pay a double tax.

\(^{941}\) *Auckland Weekly News*, 1 May 1897, p. 20.

\(^{942}\) *Tuapeka Times*, 24 February 1897, p. 4; *Cyclopedia of New Zealand*, vol. 7, p. 28.

\(^{943}\) Report by F.C. Brown, 1 March 1906, Company Files, BADZ 5181, box 236 no. 1382, ANZ-A.
Hunt asked whether it was ‘to be wondered at that companies should decide to withdraw from the colony, and turn their attention to other places where capital is welcomed?’ The newspaper noted that the New Zealand Finance Corporation and the Mines Corporation had both left New Zealand for the same reasons and that another ‘influential corporation’ might follow their example.944

An editorial in the same issue described the company as

one of the strongest corporations financially which had taken an interest in mining enterprises here. The capital which, under its auspices, might have been devoted to mining was practically unlimited, and its operations would have been continuous in introducing capital for the development of enterprises which held out a fair offer of success. Now it has withdrawn, and it is exceedingly unlikely that any capital under the control of those connected with it will ever again be ventured in any enterprise in New Zealand. Further, the example of the Exploration Company is likely to have an effect upon others whose directors have been associated with them in protesting against the exactions imposed by the New Zealand Government and the perpetual threatening of confiscation which our Government has indulged in.

Although New Zealand was ‘absolutely dependent upon capital from England’ to work its large and often low-grade reefs, government policies discouraged investment.945

In July, a London correspondent reported that the Financial News of London’s ‘distinctly alarmist article’ on the company abandoning New Zealand had quoted the interview with Hunt. The allegation that the withdrawal was ‘due to the deterrent character of recent mining legislation’ was ‘implicitly accepted and strongly insisted upon’.946 The Mining World, another London publication, cited the example of this company to support its claim that legislation was causing investors to abandon the colony.947

The London Mining Journal concurred in the view that the government

944 New Zealand Herald, 20 April 1898, p. 6, reprinted in Te Aroha News, 21 April 1898, p. 2.
945 Editorial, New Zealand Herald, 20 April 1898, p. 4.
unfairly taxed mining. Some New Zealand mine managers and company secretaries agreed that the government’s taxes and legislative changes damaged the industry. Members of the Opposition used Hunt’s explanations of why it and other companies were leaving to attack the government. For example, Robert Donald Douglas McLean, later to be connected with Hardy’s Mines at Waiorongomai, argued that as mining ran ‘risks not incurred by any other business’, capitalists required ‘every encouragement to embark any more money in it, instead of being taxed to the utmost’.

The Observer’s mining columnist responded that, ‘Legislation has never frightened the capitalist wolf away from the golden carcase’. This journal wondered why every speculating company that came ‘with immense paper capital, finding the market at Home go flat, on clearing out curse our Government?’ The Te Aroha News likewise did not accept claims that government policy was driving capital away:

Without any exact knowledge on the subject we have always believed that this Exploration Company was founded in London not for the purpose of working mining properties, but rather with a view of acquiring undeveloped and partially developed claims, with an eye to financing them through their City (London) connections whenever it seemed desirable and profitable. In this pursuit of this eminently capitalistic idea the Crown Mines G.M. Co. Ltd., and the Aroha G.M. Co. were successfully floated some time ago, and it was in consequence of the sales of these properties that the Exploration Company, without doing a stroke of legitimate mining themselves, were able to pay such good dividends to the wealthy promoters of the parent company in the year just past. New Zealand no longer offers a field for such wholesale speculation in metalliferous lands. The Minister for Mines (Hon. A.J. Cadman) turned the tide (set in motion by the late “boom”) of mining legislation against the continuation of such imperial annexations of reefing country by Home and foreign syndicates. We all know the severe tension that at one time prevailed in the Cabinet in consequence of the severity of the clauses in the original Mining Act directed against the grabbing

949 For example, editorial, *Thames Star*, 21 July 1898, p. 2.
950 See paper on Hardy’s Mines.
953 *Observer*, 30 April 1898, p. 9.
tactics of outside capitalists. Under the plea of bringing money into the colony and assisting the development of its resources the capitalists in question fastened on large tracts of territory; the larger the better, from the character of the gold deposits, for purely speculative purposes, and held them pending development in the Home stock markets. The friendly relations so long existing between the Premier and the member for Ohinemuri [Cadman] were strained almost to breaking point in consequence of the latter’s firm adhesion to the lines which he, after due deliberation, proposed to conduct his campaign against the “smart” men on the London Stock Exchange, who, with a subsidised and interested press, were straining every nerve to stem the tide of legislation which threatened to operate against their efforts to absorb all the available rich “patches” in the gold fields of the Upper Thames. Mr Cadman emerged from the difference of opinion with his chief with a few ruffled feathers; but nevertheless, triumphant. One of that fruits of that triumph is the departure from our shores of the Exploration Company, shorn of its occupation. The original promoters of the Exploration Company, we venture to think, reaped a substantial advantage from their speculation from the sales of such properties as the Crown and Aroha mines; but we do not think that a penny beyond office expenses, was spent by them in the colony after the successful “brokers’ deal” in the above mentioned mines was completed. We do not blame for an instant the astute financiers, of which the company was composed, for taking advantage of the laxity of our mining laws as they found them; moreover we think we can afford to smile at the statements of the Opposition that the Company is leaving the colony in consequence of the insecurity of mining tenures under the existing Government. The capitalists composing the company have probably exploited the South African and Westralian goldfields on exactly similar lines, only in due course to abandon them in turn. Klondike or the fields shortly to be opened up in northern China, will next presumably claim their attention.954

That foreign speculators did not invest from a desire to benefit New Zealand had occurred to others. ‘Obadiah’ commented in 1894 that investing companies seemed ‘to have been invented for the special object of spoiling the Egyptian shareholders, paying big screws and causing ruin generally to those that trusted and believed in them and whose faith and cash hath both alike departed’.955 ‘Hauraki’ responded to English criticism

954 Editorial, Te Aroha News, 28 April 1898, p. 2.
955 ‘Obadiah’, ‘Shares and Mining’, Observer, 13 January 1894, p. 16.
by referring to ‘greedy vultures’ who wanted to enslave the miners, and summarized what they required:

An indefeasible title to the goldmining lands of this country at a very small rental; to pay no taxes; to be excused from all labor conditions as to the number of men to be employed on a given area; Sunday labor to be allowed; the Mining Inspectors to be dismissed and all acts of Parliament which prevent the syndicates doing just as they please to be repealed. And these are the only conditions on which the so much buttered British capitalist will send any more money for investment in New Zealand gold mines!\textsuperscript{956}

THE END OF AROHA GOLD MINES LTD.

In announcing the withdrawal of the New Zealand Exploration Company, the \textit{Te Aroha News} insisted that this did ‘not necessarily mean the closing down of the Te Aroha and Crown workings’, which were ‘worked independently’.\textsuperscript{957} ‘Something like a reconstruction will have to take place’, but it believed (or hoped) that ‘the present interregnum of stagnation’ preceded ‘an era of exceptional activity in the prosecution’ of the low level tunnel.\textsuperscript{958}

Aroha Gold Mines shares had declined in value since being placed on the market in July 1896,\textsuperscript{959} when they were traded at ‘about 30s’.\textsuperscript{960} Shortly after the flotation, ‘a cable message of a highly encouraging character caused Aroha shares to be firmly held’ at £1 12s 6d. They then ‘receded slightly’. At one time during that day, they were offered at £1 7s 6d, ‘but this brought an immediate rush of buyers, and they speedily ran it’ at £1 10s.\textsuperscript{961} By 17 July, they were valued at from £1 5s to £1 7s 6d. Holders of these shares ‘relied on a cable message to the effect that the ore’ was worth 10s per ton, ‘which should allow of considerable profit’ because of the low cost of working. ‘The telegram stated further that a large body of ore had

\textsuperscript{957} \textit{Te Aroha News}, 21 April 1898, p. 2.
\textsuperscript{958} Editorial, \textit{Te Aroha News}, 28 April 1898, p. 2.
\textsuperscript{959} Weekly share prices in \textit{British Australasian}, 17 September 1896, p. 1548-29 December 1898, p. 2264.
\textsuperscript{960} \textit{New Zealand Herald}, 19 November 1896, p. 3.
\textsuperscript{961} \textit{Auckland Weekly News}, 8 August 1896, p. 21.
been proved’. Presumably this over optimistic cable was sent by the company’s management. Shares continued to hold most of their value for a few months. In August ‘Consolidated Goldfields, Arohas, and other leading shares in the New Zealand list showed great firmness’, and on 11 September ‘the buoyancy of Arohas was especially noteworthy, and prices advanced’ to £1 7s 6d. Within three months of the flotation, the shares stood ‘at no more than the par value’, £1.

The Financial Times in early October recommended purchase of these shares because they combined ‘with the absence of inflation excellent conditions as to capital, and also the advantage of the company being under good auspices, and controlled by a highly respectable directorate’. Not only were ‘the personnel of inception and management … excellent’, it lauded the reports by Dunn and concluded that it had ‘the makings of a great mining enterprise’. It was ‘reasonable to expect’ that those who acquired shares ‘at about their par value’ would ‘some day reap like good fortune to that which has attended the original purchasers of Waihis and Waitekauris’. The shares at that time were as high as £1 2s 6d. During October small losses and a decline in value were recorded. By 1 January 1897, they were valued at from 12s 6d to 15s. This was the lowest of all New Zealand mining shares quoted on the London market at that time.

In October 1896, Perceval had told shareholders that although ‘four months in the life of a company’ was insufficient ‘for very extensive operations’, what he had to tell ‘was eminently satisfactory to those who had risked money in the venture’. He then described the ‘large amount of development work done’. The annual statement of the company’s affairs written on 30 March 1897 revealed that 65 men were employed, that £10,081 17s 2d had been spent since registration, for a return of £281 12s

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964 New Zealand Herald, 19 November 1896, p. 3.
966 New Zealand Herald, 19 November 1896, p. 3.
968 Thames Advertiser, 17 February 1897, p. 3.
8d. During the past year, the collapse of the boom meant little trading in any New Zealand shares in London. What trading there was in Aroha Mines saw a gradual decline in value, from buyers offering 7s 6d and sellers 10s to, six weeks later, 6s 3d and 8s 9d respectively. Three months later, buyers were offering 3s 6d, and sellers 6s 3d. In another month, the former offered 1s 6d, and the latter 2s 6d, which was still better than many other companies.

The annual general meeting held on 25 August was told by Perceval that reports from two experts ‘had been fully considered by the board, with the result that they had resolved to continue’ the low level tunnel.

This would, they must remember, involve considerable time and outlay, so that they could not reasonably expect that any development of a favourable character would manifest itself under a period of several months, so that the shareholders would have to exercise considerable patience. During the year a sum of £9,456 had been spent on prospecting and development, machinery, water races, &c, and £3,346 on plant and machinery, but crushing had been suspended until the south tunnel had been driven so as to intersect the reefs at the low level, the estimated maximum depth being 1,400ft. There had, in fact, been only experimental crushings, the ore met with in the upper levels being of insufficient uniform value – although the assays varied considerably – to justify more work, while hauling and tramming proved very expensive.

The directors were considering reducing the size of the low level tunnel, ‘but in any case it would involve both time and money, and although the unexpended working capital might be sufficient to extend the tunnel in order to test the property thoroughly, yet it would be insufficient to provide for development and machinery should the results justify proceeding further’. The Financial Times commented that ‘holders of Arohas, who have seen their shares decline’ from £1 15s ‘to a merely nominal value of 2s 6d’, were ‘not gratified with’ Perceval’s statement that driving this tunnel,

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970 New Zealand Gazette, 8 April 1897, p. 840.
971 Thames Advertiser, 26 April 1897, p. 4, 9 June 1897, p. 1.
972 Thames Advertiser, 10 September 1897, p. 4.
973 Thames Advertiser, 20 October 1897, p. 4.
974 British Australasian, 2 September 1897, p. 1596.
975 Ohinemuri Gazette, 2 October 1897, p. 6.
‘on which hopes solely rest’, would ‘involve considerable time and outlay’. When the company was floated,

the reports put in circulation held out the prospect of the mine becoming a successful concern, but there was no suggestion that this tunnelling work would be so protracted as to exhaust the substantial sum, £40,000, provided as working capital. Yet this is now blandly contemplated. It is a grave *supressio veri* which seriously misled all who took a favourable view of the enterprise, and a course which, however befitting the ordinary unscrupulous promoter, was unworthy of the actual sponsors – the New Zealand Exploration Company … and the Exploration Company…. It is also a matter of regret that these distinguished concerns should follow the shuffling methods of the Kaffir magnates in putting shares on the market without publishing a prospectus, instead of giving the public a fair opportunity of examining all the conditions governing a mining proposition before an interest in it is acquired.976

Another English newspaper, noting that Perceval laid ‘all the blame on some tunneling work which has proved unexpectedly obstinate and expensive’, suggested that ‘perhaps the exploration companies concerned will make up the deficiency and see the work through out of their profits!’977

In December, a shareholder wrote to a London financial newspaper about how the company had been floated:

The names of the great firms connected with the Exploration Company being freely used by the jobbers and brokers who were employed to make a market and induce investors to take the stuff at big premiums and without prospectus. I bought 200 shares at 13-16 premium, and the rot set in immediately, the shares continuing their downward career with a regularity and swiftness absolutely indecent, until the present price of 1-16 to 3-16 was reached. I wonder whether any of the rich directors of the Exploration Company would like to refund my money? At any rate, no more exploration for yours truly, H. Graham.978

By early 1898, the shares were worth only 2s, before declining further, buyers offering 1s and sellers 2s.\footnote{Thames Advertiser, 25 February 1898, p. 4, 27 July 1898, p. 4; Auckland Weekly News, 28 May 1898, p. 34, 9 July 1898, p. 34, 30 July 1898, p. 48, 20 August 1898, p. 47.}

By 8 September 1897, all but two of the eight companies had sold some shares. The Anglo-Continental Corporation of Western Australia had sold 100 and retained 500, the Banque Internationale de Paris had sold 12,390 and retained 4,748, CORFRADOR had sold 11,165 and retained 1,510, the Exploration Company had sold 5,910 and retained 11,773, the New Zealand Exploration Company had sold 9,983 and retained 21,035, and the Societie Generale had sold 771 and retained 2,829. The Bechuanaland Exploration Company had not sold any of its 500 shares, nor the Crown Exploration Company any of its 50. Of those investors whose address was care of the London Stock Exchange, 16 had sold all their shares, 18 had retained them all, and seven had sold some and retained some. Of the original directors, Ryder had retained all his 300 shares, Levy had retained 686 and sold 114, Kulp had retained 180 and sold 555, and Lukach had retained 3,948 and sold 18,553. Perceval and du Peloux had sold their shares over 12 months previously.\footnote{Aroha Gold Mines Ltd, Shareholders, 8 September 1897, Company Files, BT 31/6822/48001, The National Archives, Kew, London.}

A Waiorongomai correspondent reported that on 2 May 1898, payday, the amount distributed was ‘the smallest sum received in many months’.\footnote{Waiorongomai Correspondent, Te Aroha News, 7 May 1898, p. 2.} On 23 June, it was rumoured that the company was to go into liquidation; on the following day orders were given to cease work.\footnote{Thames Advertiser, 23 June 1898, p. 3, 24 June 1898, p. 3; Ohinemuri Gazette, 25 June 1898, p. 2.} Remarkably, the Te Aroha News, perhaps because it was pre-occupied with the first mayoral contest, made no comment. The New Zealand Mining Journal and Financial Guide assumed that ‘the difficulty of obtaining further capital’ had been the cause of work ceasing.\footnote{New Zealand Mining Journal and Financial Guide, vol. 3 no. 5 (July 1898), p. 69.} In fact, £11,500 of its working capital remained unspent.\footnote{Declaration of R.R. Hunt, 22 July 1898, Mines Department, MD 1, 99/588, ANZ-W.}
On 23 May 1898, an extraordinary general meeting resolved to wind up the company.\textsuperscript{985} According to the Mining Journal, the chairman, Ryder, informed shareholders that they

would have gathered from the circular they had received that the present position of affairs at the mine was not at all satisfactory. They were also told at the meeting held last September that their chances of success were by no means certain. They had now come to a point when there seemed even less hope of getting payable ore than ever, and consequently the directors recommended that the concern should be wound up and the assets (about £11,000) divided amongst the shareholders. Notwithstanding the favourable reports they received from experts when the company was formed, they had altogether failed to strike payable ore. In the course of the discussion which followed the opinion was expressed that the vendors should be asked to forego their share of the assets when they were divided; but it was pointed out that, these gentlemen having disposed of their shares, this would be an impossibility. Mr Dunn, on whose recommendation the property was originally acquired, said, in spite of what had happened, he still adhered to the favourable opinion he formed of the prospects of the mine at that time.\textsuperscript{986}

Clearly the vendors had been more aware, through their inside knowledge, of the true value of the property than ordinary shareholders, who retained their interests.

An expanded version of Ryder’s statement revealed that the directors had consulted their experts before ‘reluctantly’ coming to their decision. Tests of the low level tunnel had been made ‘in the most economical manner’. It ‘was now 1200ft long, and it would take 2000 more feet to drive to reach the first junction’ of the cross reefs with the main reef:

The two junctions made to test at the higher level had been found to be absolutely worthless, and, although the directors could not be sure that they would continue poor at depth, still expert opinion did not lead them to hope that payable ore would be found lower down. Therefore they felt justified in thinking that the chances of finding a payable junction was now reduced to a minimum.\textsuperscript{987}

\textsuperscript{985} Aroha Gold Mines, Meeting of 23 May 1898, Company Files, BT 31/6822/48001, The National Archives, Kew, London.
\textsuperscript{986} New Zealand Mines Record, 16 July 1898, p. 548.
\textsuperscript{987} Auckland Weekly News, 9 July 1898, p. 34.
On the value of the ore in the low level drive, popular opinion at Waiorongomai concurred with the directors, not Dunn, for it was called the ‘blue stone tunnel’ because of the colour of the valueless rock, possibly blue andesite, through which it had been driven.\textsuperscript{988} The \textit{Thames Advertiser} wrote that driving this tunnel had proved that the engineers who opposed doing so had been correct.\textsuperscript{989} It also noted that the company was supposed to have spent about £20,000 on the low level.\textsuperscript{990} ‘Observer’ considered that he could have driven it for £2,500: ‘Where has the other £37,500 gone? Can it be in high salaries?’\textsuperscript{991} In part, yes. The tunnel had cost £3,762,\textsuperscript{992} and ‘Observer’ had omitted the costs of the machinery to drive the rock drills, another £3,000,\textsuperscript{993} and the cost of making a water race, penstock, and pipes, £2,452.\textsuperscript{994} The company also had to pay contracts for driving and sinking in the Buck Rock, New Find, Colonist, Premier, and Silver King (some contracts in the latter two properties amounted to £1,281),\textsuperscript{995} and the unrecorded costs of prospecting, reconstructing the battery, and erecting houses.\textsuperscript{996} That still left the use of much of the capital unexplained. Hunt told the Mines Department that the company had spent £28,500 out of its paid up capital of £40,000, but did not provide a breakdown.\textsuperscript{997}

Once more the government was blamed for contributing to the outcome. After commending the company for continuing its operations ‘in the face of several disappointments’, the \textit{New Zealand Herald} noted that two applications to the government for assistance had failed because ‘there

\textsuperscript{988} Memorandum by John Abatematteo, 11 May 1970, re previous interview with Les Hill, Office File, Norpac Papers, MSS and Archives, Vault 4, University of Auckland Library; Les Hill, interviewed by David Bettison, July 1975.
\textsuperscript{989} \textit{Thames Advertiser}, 17 November 1898, p. 3.
\textsuperscript{990} \textit{Thames Advertiser}, 17 November 1898, p. 3.
\textsuperscript{992} Thomas Gavin to Minister of Mines, 17 June 1898, Mines Department, MD 1, 99/588, ANZ-W.
\textsuperscript{993} \textit{Thames Advertiser}, 14 July 1897, p. 3.
\textsuperscript{994} James Coutts to Under-Secretary, Mines Department, 18 April 1898, \textit{AJHR}, 1898, C-3A, p. 53.
\textsuperscript{996} \textit{Ohinemuri Gazette}, 2 October 1897, p. 6.
\textsuperscript{997} Declaration by R.R. Hunt, 22 July 1898, Mines Department, MD 1, 99/588, ANZ-W.
was no fund from which a subsidy could be paid’. It was a ‘considerable loss’ to all companies that the low level tunnel had not been completed.

Had the Government given assistance the neighbouring mines could have been granted the right to use the tunnel – this could have been made a condition on which the subsidy would be paid – but the liquidation of the Aroha Company will doubtless prevent them having this means of transit afforded them for a long time, if at all. The Aroha Company is said to have been in the hands of the strongest financial people at Home, and their withdrawal will doubtless prove a serious drawback to mining at Waiorongomai unless the Government steps in and acquires the tunnel for future speculators to finish.998

In 1899, a Te Aroha News editorial noted that the government was considering assisting another company with its drainage scheme. Since Cadman had refused to continue the tunnel for fear of creating ‘a dangerous precedent’, other ‘hard-up mining townships’ had asked for subsidies and there were ‘lively hopes’ that some would be granted. At Thames, ‘the Hauraki mine was heavily subsidized and rightly so. Why should not one of the greatest undertakings – the Waiorongomai tunnel – colonial mining has witnessed, at present, figuratively speaking within an ace of completion, be brought to a satisfactory conclusion with Government assistance?’ Its completion would resolve ‘the problem which has vexed us and disturbed our calculations since the opening of these fields’, namely ‘our want of knowledge on the subject of the reefs “living down”’.999

CONSEQUENCES

There was great concern that the goldfield would be badly set back by the companies’ departure. Gavin wanted the battery retained for crushing by the public, thereby enabling unemployed miners to work payable surface blocks on tribute as they wanted.1000 Another miner urged the government to purchase the battery because he had been told that local ore could ‘be

998 New Zealand Herald, 23 June 1898, p. 6.
1000 Thomas Gavin to Minister of Mines, 17 June 1898 [second letter written on that date], Mines Department, MD 1, 99/588, ANZ-W.
successfully treated with very little alteration to the plant’. 1001 The government was not interested. Gavin discussed the future of the low level tunnel with Cadman, and in follow-up letters repeated his request that the government take it over, paying half the value of the timber, £210. This would conserve it until someone else continued it ‘on perhaps a smaller scale, as a prospecting drive, and thus all the labour and expenditure over this large tunnel would not be thrown away’. 1002 Arrangements had been made for Crown Mines to purchase and remove the timber, but despite being ordered to remove it, Gavin had not done so, instead obtaining Hunt’s approval for his plan to save the tunnel. It would be a ‘pity’ to destroy it ‘when £300 or £250 would preserve it for 10 or 15 years’. There were 800 feet of backs at the face, and as at the last crosscut the reef was 12 feet thick and ‘carrying a little gold and silver’ he was convinced there might be payable gold ahead. 1003 Hunt, who understood the reef was 15 feet wide at the face, also reported traces of gold being found. 1004 Cadman agreed that the timber should be retained and Cabinet was advised that the Act prevented its removal if that meant the destruction of the tunnel; it remained after Hunt accepted this as a condition for receiving protection while a purchaser was found. 1005

Wishing to sell the property as a going concern, Hunt hoped that the tunnel would be continued, informing the Mines Department that the rock drills were ‘almost ready to be put to work. A very small sum of money would enable this to be done’. If the tunnel was not sold, he would have to sell the air compressor. 1006 Joseph Campbell paid a deposit on a three-

1001 J.W. Rennick to Minister of Mines, 27 July 1898, Mines Department, MD 1A, 8/50, Part 1, ANZ-W.
1002 Thomas Gavin to Minister of Mines, 17 June 1898, Mines Department, MD 1, 99/588, ANZ-W.
1003 Thomas Gavin to Minister of Mines, 17 June 1898 [second letter written on that date], Mines Department, MD 1, 99/588, ANZ-W.
1004 Declaration of R.R. Hunt, 22 July 1898, Mines Department, MD 1, 99/588, ANZ-W.
1005 Minister of Mines to Cabinet, 14 July 1898; memorandum of Cabinet request for information, 18 July 1898; Under-Secretary, Mines Department, to Minister of Mines, 19 July 1898; Warden to Under-Secretary, Mines Department, 19 August 1898; Under Secretary, Mines Department, to Minister of Mines, 25 August 1898, Mines Department, MD 1, 99/588, ANZ-W.
1006 Declaration of R.R. Hunt, 22 July 1898, Mines Department, MD 1, 99/588, ANZ-W.
month option on the property on behalf of the Montezuma Company,\textsuperscript{1007} but was unable to complete the purchase as it declined to provide the £1,000 required.\textsuperscript{1008} As Campbell had not wanted the tunnel, it, along with the water race and the air compressing plant was advertised for sale in August.\textsuperscript{1009} Edwin Henry Hardy,\textsuperscript{1010} who purchased the New Find and Premier mines along with the battery, did not buy the tunnel, having no intention to continue it.\textsuperscript{1011} The air compressor was, therefore, removed by the company.\textsuperscript{1012} As Hardy did not buy the Sceptre, Sceptre Extended, or Trident, these were abandoned, as were the water race and the machine and compressor sites.\textsuperscript{1013} In March 1900, some of the remaining property was sold at auction for very low prices: the 60-chain water race, made of kauri, for £119, the three-ton winch with 400 feet of wire rope for £5, and a ‘tram’ weighing three-quarters of a ton plus rails went for another £5. Other machinery for the tunnel, including the Pelton wheel, was not sold and was reserved for private sale.\textsuperscript{1014}

CONCLUSION

According to the \textit{Te Aroha News}, the New Zealand Exploration Company spent £25,000 purchasing and £37,000 on developing its property, and then sold it for £2,000.\textsuperscript{1015} In fact, it had been bought for £17,000.\textsuperscript{1016} As later geologists noted, the company withdrew without taking advantage of the ‘large amount of dead-work’ that it had done in the Premier,\textsuperscript{1017} work

\textsuperscript{1007} See paper on Joseph Campbell and his Thermo-Hyperphoric Process.

\textsuperscript{1008} Declaration of R.R. Hunt, 22 July 1898; R.R. Hunt to Under-Secretary, Mines Department, 16 August 1898; Warden to Under-Secretary, Mines Department, 19 August 1898, Mines Department, MD 1, 99/588, ANZ-W; \textit{Ohinemuri Gazette}, 24 August 1898, p. 3.

\textsuperscript{1009} \textit{New Zealand Herald}, 22 August 1898, p. 6.

\textsuperscript{1010} See paper on his life.

\textsuperscript{1011} \textit{Thames Advertiser}, 17 November 1898, p. 3.

\textsuperscript{1012} \textit{Thames Advertiser}, 4 November 1898, p. 3.

\textsuperscript{1013} R.R. Hunt to Warden, 22 February 1899, Mines Department, MD 1, 99/588, ANZ-W.

\textsuperscript{1014} \textit{Ohinemuri Gazette}, 24 March 1900, p. 2.

\textsuperscript{1015} \textit{Te Aroha News}, 23 May 1908, p. 2.


\textsuperscript{1017} Henderson, p. 14.
that would be used to advantage by its new owner, Hardy.\textsuperscript{1018} The investment provided by the New Zealand Exploration Company and its subsidiary had been unprofitable not only for both but also for the district, apart from providing employment for some years. This was the last significant injection of capital, and the field never recovered; nor could it, because despite reports during the exploration stage of payable ore being found, this was not the case. In March 1898, an observer, after noting the expectation that ore at the depth of the low level drive would be ‘more than usually refractory on account of the large percentage of base sulphides’, wrote that should the testing prove unsatisfactory, Te Aroha was ‘doomed as a mining centre’.\textsuperscript{1019} As would prove to be the case.

The history of the New Zealand Exploration Company and its Aroha Gold Mines subsidiary was typical of most English companies during the boom. In 1898, Karl Schmeisser noted how the ‘extraordinary demand’ from European companies for mines had ‘led to an extraordinary inflation’ in the value of Australasian properties. ‘The European company promoters seem to have imagined that they could not capitalize the supposed extremely high profits too highly. Sub-companies were rapidly formed out of the larger mining areas without any adequate prospecting operations being undertaken’, and in ‘several cases’ the formation of the latter ‘actually made it possible for the parent company to pay dividends before the deposits had been developed’. As companies had ‘excessive high capitalization’, they ‘could only pay their way if worked on a small scale and with most economical management’. Once the ‘real character of the deposits’ became known and dividends could not be paid, the poorer properties would ‘have to be closed down, perhaps for ever’.\textsuperscript{1020} Waiorongomai was an example of all of these points.

Looking back on the boom at Thames, the \textit{Observer} wrote that, while it had distributed ‘a vast sum in wages’, it had ‘done little or nothing’ towards ‘permanent development’.\textsuperscript{1021} With the notable exception of Waihi, the only benefit of foreign investment for New Zealand had been paying miners’ wages.\textsuperscript{1022} When English capitalists and newspapers accused New Zealand vendors of greediness, it responded with an example of some vendors

\begin{itemize}
\item \textsuperscript{1018} See paper on his life.
\item \textsuperscript{1019} Special Reporter, ‘The Mining Outlook’, \textit{Auckland Star}, 3 March 1898, p. 5.
\item \textsuperscript{1020} Karl Schmeisser, \textit{The Gold-fields of Australasia} (London, 1898), pp. 217-218.
\item \textsuperscript{1021} \textit{Observer}, 7 February 1903, pp. 2-3.
\item \textsuperscript{1022} \textit{Observer}, 11 January 1902, p. 5.
\end{itemize}
receiving 67,000 of 150,000 shares. The balance went to English financiers ‘who took no trouble to find the property, who risked no money in prospecting and developing it, who didn’t even furnish the costly plans and reports for the flotation’, and who received ‘practically the whole of the plunder for a month or six weeks service in floating the company in London’. It criticised ‘the sinful system under which a paltry tithe of the working capital’ was spent in developing a mine while the greater part went ‘in promotion expenses, directors’ fees and costly management’. A miner critical of the New Zealand Exploration Company spending so much on its low level drive was told that many English-owned mines spent £2 or £3 per month in the management for every £1 spent in working or prospecting. When the annual report of the Maoriland Company, which mined at Kuaotunu, lamented that its mine was unproductive, the Observer pointed out that the company had only spent £974 on miners’ wages in the past year compared with £659 on directors’ fees, about £400 for the secretary, and about £500 for the New Zealand manager. It appeared that the property was ‘of little or no value and the directors knew it, and were disinclined to spend any considerable amount of capital outside of London’. In its following issue it named an English company mining at Waitekauri as paying directors more than its miners. In 1903, ‘Obadiah’ commented on several articles in English newspapers about investment losses:

I do not know a single instance in which New Zealanders could be said to have foisted mining properties on London capitalists. Without exception, every one of the New Zealand mines taken over were examined and reported upon by accredited agents of such capitalists. Subsequently, men were sent from Home, and elsewhere, to manage these mines, and the majority of them did not know anything about the business. In a great many cases, thousands of pounds sterling were squandered where the outlook did not warrant the expenditure of so many shillings, and the London capitalists have themselves to blame for the appointment of amateurs to the charge of their properties.

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1024 Observer, 10 September 1898, p. 3.
1026 Observer, 15 January 1898, p. 2.
1027 Observer, 22 January 1898, p. 3.
At Waiorongomai, investors had more competent ‘experts’ and managers than some other places; its fundamental lack was the necessary quality and quantity of ore. When vendors and directors realized this, most sold their interests before the investing public shared this understanding. By the end of the nineteenth century the Exploration Company had reduced its involvement in mining throughout the world to 38.6 per cent of its total investments, making ‘a sharp movement out of mining exploration and into electric transport and industrial companies’.\footnote{1029} By July 1896, it had sold either some or all of its shares in Consolidated Goldfields of New Zealand, as it had already done in its Rand mines.\footnote{1030} When it sold its holdings in the New Zealand Exploration Company and Aroha Gold Mines is not known, but it would have been earlier rather than later.

By 1902, 48 of the 91 London companies formed to mine in New Zealand had been liquidated, two had been absorbed by adjoining companies, two were ‘still at work, but with no prospects whatever’, and only 16 had ‘good mines, or mines with some promise’.\footnote{1031} Most companies floated during this mining boom in other countries suffered a similar fate. For instance, of the several thousand established to mine in Western Australia, only 90 paid dividends, ‘and some of those paid only one and some had no right to pay even that. Outside the Golden Mile’ of Kalgoorlie ‘the money invested by the British had rarely been repaid. The investors were largely to blame for their losses, but the mines took the blame’.\footnote{1032} As many if not most of these companies had been floated to make profits from share trading, promoters, vendors, and insiders had concentrated on this rather than mining.\footnote{1033} Except at Waihi (and one or two other places, such as the Crown Mines at Karangahake), New Zealand’s mining boom was unprofitable for overseas investors,\footnote{1034} with Waiorongomai being particularly unprofitable.

\footnote{1029}Turrell with van Helten, p. 196.
\footnote{1030}David Ziman to G.A. Jones, 5 July 1896, David Ziman Letterbook March-October 1896, p. 227, Consolidated Goldfields of New Zealand, 76-083-15/01, Alexander Turnbull Library.
\footnote{1031}Curle, p. 198.
\footnote{1032}Blainey, p. 207.
\footnote{1033}Hill, p. 196.
\footnote{1034}For details, see Hill, pp. 199-200.
Appendix

Figure 1: ‘Late Baron de Hirsch’, *Cyclopedia of New Zealand*, vol. 7 (Christchurch, 1898), p. 28.

Figure 2: ‘Mr J.G. Wilson’, *Cyclopedia of New Zealand*, vol. 2 (Christchurch, 1902), p. 471.

Figure 3: ‘Waiorongomai Battery, Te Aroha’, *Cyclopedia of New Zealand*, vol. 2 (Christchurch, 1902), p. 835, Sir George Grey Special Collections, Auckland Libraries; used with permission.

Figure 4: W.J.C., Plan of Thomas Stewart’s Prospecting License, c. June 1933, showing portal of ‘Exploration Tunnel’, meaning Aroha Gold Mines’ low level drive, Te Aroha Warden’s Court, Mining Applications 1933, 26/1933, BCDG 11289/2a, ANZ-A [Archives New Zealand/Te Rua Mahara o te Kawanatanga, Auckland Regional Office]; used with permission.

Figure 5: ‘Aroha Company’s Tunnel, Waiorongomai’, *Auckland Weekly News*, 4 September 1897, Supplement, p. 3, photograph no. 7.
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