

THE AUCKLAND SMELTING COMPANY

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## THE AUCKLAND SMELTING COMPANY

**Abstract:** *Mining in the Tui portion of the Te Aroha field was revived in 1948 by Benjamin John Dunsheath, a small businessman who had owned several private companies, none of them very successful, in a career marked by dubious business ethics. To develop the Tui mines he was assisted by others, only some of whom had mining skills. After defeating opposition from those concerned about possible pollution, prospecting, mostly for base metals, proceeded with reportedly encouraging results. In contrast to the success he anticipated from both mines and his planned smelting works, mining officials were much more cautious.*

*To develop the ground, Dunsheath formed the Auckland Smelting Company, an under-capitalized company whose directors and shareholders lacked mining experience. Consequently, he obtained advice from outside experts and sought assistance, especially financial, from a mostly reluctant Mines Department, which considered the area worth prospecting but did not share his optimism. Most of the development was focused on driving a new level (no. 5) to strike the reefs, but because of inadequate preliminary surface and underground testing arguments arose about its correct direction, which would lead to the departure of their skilled mine manager, Bert McAra, especially after he was asked to provide misleading samples 'for propaganda purposes'. Because by 1953 the results were disappointing and the reef had not been struck because the crosscut was being driven in the wrong direction, further government subsidies were refused, and in mid-year all work ceased after the company, despite several increases in its capital, ran out of money. Overseas capital was sought but was not interested.*

*This company was an illustration of how not to mine an area lacking easily accessible high quality ore. With inadequate capital and inadequate prior prospecting, it struggled to develop its ground, and to attract investors and government assistance Dunsheath relied on providing incomplete and sometimes false information, causing ructions amongst the directors and disapproval from officials. Its collapse was inevitable from the start.*

## PROSPECTING THE TUI DISTRICT

Although mining in the Tui district ceased in the late nineteenth century, desultory prospecting continued, given extra impetus by the

Depression.<sup>1</sup> In May 1948, Harold James Samuel Bassett, who had prospected, unsuccessfully, in this district at the end of the 1930s,<sup>2</sup> was granted a prospecting license over 35 acres in the Tui district.<sup>3</sup> Five months later, in giving supporting evidence for Benjamin John Dunsheath's application for a special quartz claim that included the old Tui and Champion claims, he described himself as a metallurgist managing Dunsheath's Auckland factory. 'Have had considerable experience in smelting operations. Have prospected area'. Bassett explained their plans for opening up the lode but despite assuring the warden there would be no pollution did not know what treatment would be suitable.<sup>4</sup> He claimed to have 'known the district' for 70 years.<sup>5</sup>

### BENJAMIN JOHN DUNSHEATH

Bassett's employer, Dunsheath, would be the leading figure at Tui for several years to come. He was born in August 1887, in Sheffield, England, to Hugh, a manufacturing silversmith and cutlery manufacturer.<sup>6</sup> In 1913, when aged 24, he married Jeannie McKinlay, 12 years his senior; born in Dunedin, she had met him when visiting England.<sup>7</sup> They moved to New Zealand six years later.<sup>8</sup>

In July 1920 Dunsheath was elected to the Wellington Chamber of Commerce.<sup>9</sup> In the following May he advertised himself as being the sole

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<sup>1</sup> See paper on the Depression years.

<sup>2</sup> See paper on prospectors and investors in the Te Aroha Mining District in the 1930s.

<sup>3</sup> Te Aroha Warden's Court, Register of Applications 1934-1961, 3/1948, BBAV 11505/2a; Register of Mining Privileges 1933-1972, folio 105, BBAV 11500/5a, ANZ-A.

<sup>4</sup> Te Aroha Warden's Court, Warden's Notes of Evidence at Hearing held on 11 August 1948, 6/1948, B.J. Dunsheath File 1948-1949, BCDG 11289/4a, ANZ-A.

<sup>5</sup> *Te Aroha News*, 13 August 1948, p. 5.

<sup>6</sup> Death Certificate of Benjamin John Dunsheath, 7 August 1972, 1972/28704; Marriage Certificate of Benjamin John Dunsheath, 21 December 1945, 13719/1945 [old microfische index], BDM.

<sup>7</sup> Birth Certificate of Jeanie McKinlay, 1877/16606, BDM; Marriage Certificate of Jeanie McKinlay, October-December 1913, ancestry.co.uk; Death Certificate of Jeannie Dunsheath, 28 September 1945, 1945/21620, BDM.

<sup>8</sup> Death Certificates of Jeannie Dunsheath, 28 September 1945, 1945/21620; Benjamin John Dunsheath, 7 August 1972, 1972/28704, BDM.

<sup>9</sup> *Evening Post*, 20 July 1920, p. 2.

agent in New Zealand for ‘the Porter Safety Seal’, which protected against pilfering and tampering.<sup>10</sup> Two years later he formed a private company, B.J. Dunsheath Ltd, with a capital of £2,000 in £1 shares, of which he held 1,500 and his wife 500. Its objects were ‘To carry on the businesses of manufacturers’ representatives, indent agents, importers, dealers, and general incidental’.<sup>11</sup> Dunsheath was managing director of a firm that advertised it could provide ‘Mechanical and Electrical Equipment, Tool Steels, Alloy Steels, Machine Tools, Engineers’ and Artisans’ Tools’.<sup>12</sup> In August 1923 its tender of £2,727 to supply plate girders for a section of the Napier to Gisborne railway line was accepted.<sup>13</sup> In April 1924, it offered an office and strong room in central Wellington for lease.<sup>14</sup>

Occasionally during the 1920s there was another shareholder in addition to Dunsheath and his wife. After it was resolved in March 1930 to increase the capital to £3,500, there were four shareholders: Dunsheath with 1,750, his wife with 750, and Charles Mayes Graham, an Auckland engineer, and John Ernest Hardey, a Wellington engineer, with 500 each. Early in 1932, the company’s office moved to Auckland,<sup>15</sup> where Dunsheath had settled. In May, Keep Bros Ltd of Birmingham took action in the High Court in Auckland against the company. It deposed that ‘at divers dates and times and in particular since the month of May 1931’ the company had purchased machinery for which it owed £522 2s 8d. In addition to seeking judgment for this amount, it wanted another £52 4s, being the cost of exchange involved in remitting this sum to England. In the absence of any defence being provided by the company, it must be assumed that Keep Bros won their case.<sup>16</sup> Also in that year Charles Mayes Graham sued Dunsheath for £500 and costs because he had not fulfilled the agreement they had signed in July 1929 whereby Graham would be employed on condition he was given 500 fully paid-up shares and, should he resign, Dunsheath was to purchase these, but when Graham did resign, he did not do as promised. As Dunsheath neither filed a statement of defence nor appeared in court, he was ordered to pay £461 in damages and £40 19s in costs for shares

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<sup>10</sup> Advertisement, *Evening Post*, 19 May 1921, p. 3.

<sup>11</sup> *Evening Post*, 10 May 1923, p. 8.

<sup>12</sup> Company Files, CO-WW 3445, no. 269, ANZ-W.

<sup>13</sup> *New Zealand Herald*, 6 August 1923, p. 6.

<sup>14</sup> Advertisement, *Evening Post*, 26 April 1924, p. 2.

<sup>15</sup> Company Files, CO-WW 3445, no. 269, ANZ-W.

<sup>16</sup> Auckland High Court, Action Files, BBAE A48/5041, A124/1932, ANZ-A.

Graham stated were valueless.<sup>17</sup> At the beginning of August the remaining shareholders resolved that as the company ‘cannot by reason of its liabilities continue its business’ it would be wound up.<sup>18</sup> The final meeting of the company was held in December 1935.<sup>19</sup>

By July 1925 Dunsheath was the New Zealand representative of the British Manufacturers and Agents’ Association, which sought preference for British goods.<sup>20</sup> In the following February he was elected one of three representatives of ‘Electrical and Machinery’ to the council of the New Zealand Association of British Manufacturers and Agents, immediately becoming its acting vice-president; in December he was elected vice-president.<sup>21</sup> In 1926, as a member of the ‘British Engineers’ Association’, he wrote to the press praising British engineering practices. ‘In the British engineering shops is found probably more practical craftsmanship than in any foreign workshops. English and Scottish engineering firms possess indisputable reputations for designing and building intricate mechanical equipment’. After describing ‘the average British mechanic’ as being ‘highly skilled, possessing very wide experience obtained in pattern shop, foundry, and as both general turner and fitter’, he explained American success in producing cars as ‘mass production, attractive “finish,” and salesmanship’.<sup>22</sup>

Appropriately, therefore, during 1926 he became the New Zealand representative for four British firms: Fry’s, the Foster Instrument Company, Duncan, Stewart and Company, and Lacy-Hulbert and Company.<sup>23</sup> Two years later the Hardy Patent Pick Company sued him for possession of chattels plus damages of £200; he counter-claimed for the same amount, being ‘damages for alleged wrongful entry and removal’.<sup>24</sup> In June 1928 he offered his warehouse in Allen Street, Wellington, for lease.<sup>25</sup> Two months later, when his firm was selling an air compressor and had

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<sup>17</sup> Auckland Supreme Court, Action File: Charles Mayes Graham of Auckland Engineer v. Benjamin John Dunsheath, Auckland, Engineer, BBAE A48/5014, box 105, A215/1932, ANZ-A.

<sup>18</sup> Company Files, CO-WW 3445, no. 269, ANZ-W.

<sup>19</sup> Company Files, CO-WW 3445, no. 269, ANZ-W.

<sup>20</sup> *Evening Post*, 12 February 1926, p. 10.

<sup>21</sup> *Evening Post*, 12 February 1926, p. 10, 15 February 1926, p. 11, 2 December 1926, p. 6.

<sup>22</sup> Letter from B.J. Dunsheath, *Evening Post*, 21 June 1926, p. 10.

<sup>23</sup> *Press*, 14 July 1926, p. 10; *Evening Post*, 19 October 1926, p. 9.

<sup>24</sup> Supreme Court, *Evening Post*, 3 February 1928, p. 9, 26 October 1928, p. 11.

<sup>25</sup> Advertisement, *Evening Post*, 23 June 1928, p. 2.

other machinery for sale, the address was no longer a street address but a post office box.<sup>26</sup> In February 1929, when his address was given as the National Dairy Buildings, Thorndon Quay, he offered a ground floor and office for rent.<sup>27</sup> In July 1929, his tender of £1,335 to provide three portable air compressors for the Auckland tramways was successful.<sup>28</sup> When selling a sawmilling plant, a kerosene engine, and steam/oil/gas electrical generators in 1930 he had addresses in both Auckland and Wellington.<sup>29</sup> After January 1931, his address was Auckland alone; during that year he sold Climax Rock Drills and the Lanz Crude Oil Tractor.<sup>30</sup>

The Dunsheath Machinery Company was formed in Auckland in September 1932 to take over his existing business as importer, dealer, trader and engineer in all types of machinery. A private company, its sole shareholders were Dunsheath and his wife, he with 250 shares and she with the remaining 750 after he transferred 250 to her in January 1933. He was managing director; Jeannie was both the other director and the company secretary. She resigned in 1943, a consequence of a stroke she suffered several years before her death in the Auckland Mental Hospital in 1945.<sup>31</sup> Three months later, in Christchurch, Dunsheath married Elizabeth Dewes (later D'Ewes) Torlesse Pritchett, aged 38, 16 years his junior; they promptly had a son.<sup>32</sup> His second wife became a director also, along with Noel von Batenburg (who did not use the 'von'), born in 1922,<sup>33</sup> an Aucklanders variously described as a salesman, a company manager, and an engineer, who was the only other shareholder in the 1950s. In 1957,

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<sup>26</sup> Advertisement, *New Zealand Herald*, 6 August 1928, p. 2.

<sup>27</sup> Advertisement, *Evening Post*, 12 February 1929, p. 3.

<sup>28</sup> *New Zealand Herald*, 31 July 1929, p. 12.

<sup>29</sup> Advertisements, *New Zealand Herald*, 21 January 1930, p. 2, 12 July 1930, p. 4; advertisement, *Evening Post*, 21 June 1930, p. 4.

<sup>30</sup> Advertisements, *New Zealand Herald*, 8 January 1931, p. 2, 7 April 1932, p. 3.

<sup>31</sup> Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A; *New Zealand Herald*, 19 September 1932, p. 5; Death Certificate of Jeannie Dunsheath, 28 September 1945, 1945/21620, BDM; Death Notice, *Auckland Star*, 28 September 1945, p. 1.

<sup>32</sup> Birth Certificate of Elizabeth Dewes Torlesse Pritchett, 18 February 1908, 1908/3095; Death Certificate of Elizabeth D'Ewes Torlesse Dunsheath, 1993/49521; Marriage Certificate of Benjamin John Dunsheath, 21 December 1945, 13710/1945; Birth Certificate of David Hugh John Dunsheath, 7686/1946 [microfische index], BDM.

<sup>33</sup> See Death Certificate of Noel von Batenburg, 1993/28668, BDM; Probates, BAZZ 1570, 469/1993, ANZ-A; *Evening Post*, 15 December 1938, p. 24 [as Noel Batenburg].

Dunsheath had 2,990 shares, his wife ten, and Battenberg 1,000 until selling these to Dunsheath in the following year. The capital, £3,000, was all paid up by the 1950s.<sup>34</sup> Its letterhead in the 1940s described its members as ‘Engineers, Compressed Air Engineers, and Machinery Importers’:

Machinery Equipment for Foundries Engineers Mines Mills Quarries Roadmaking Contractors Builders Meat Works Dairy Factories Railways Shipping Harbours Brickworks Garages Woodworking Lifting Conveying Etc, Etc. Gas Welding Equipment. New & Rebuilt Machine Tools. We have over 14,000 items of surplus machinery & plant - send your enquiries - also notify us regarding your surplus equipment.<sup>35</sup>

As an illustration of how the company was not very profitable, in August 1936, when Francis Chapman Sons and Deeks Ltd, of England, sued for £196 16s 9d, a solicitor was unable to trace Dunsheath, who did not file a statement of defence and therefore lost the case by default. Interest and costs made a total of £208 18s 6d to be paid.<sup>36</sup> In late 1936, after this company moved to wind up Dunsheath Machinery, it withdrew its petition, presumably because its claim had been met. A debenture issued in July 1938 was to be repaid, with interest, by October, but was not repaid until May 1945. Another debenture was issued in 1947 to the National Bank, to which two Auckland sections were mortgaged in that year. Dunsheath provided £2,000 in new capital in September 1949, but three months later mortgaged land at Te Aroha owned by the Auckland Smelting Company for £2,900.<sup>37</sup> In October 1952, after the company had paid only £495 0s 10d of £3,387 0s 1d owed to Armstrong Whitworth and Company (Pneumatic Tools) Ltd, of Newcastle-on-Tyne, the latter won its case for payment of £2,920 17s 8d.<sup>38</sup> In 1957 the Bank of New Zealand served a writ on the

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<sup>34</sup> Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>35</sup> Letterhead on B.J. Dunsheath to C.H. Benney (Under-Secretary, Mines Department), 6 December 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>36</sup> Auckland High Court, Action Files, BBAE A48/5041, box 192, A121/1936, ANZ-A.

<sup>37</sup> Company Files, BADZ 5181, box 1377, no. 5758, ANZ-A.

<sup>38</sup> Auckland Magistrate’s Court, Civil Cases 1952, BBAE 10246/201a; Auckland High Court, Action Files, BBAE A307/5527, box 2, ANZ-A.

company, the details of which have not survived,<sup>39</sup> presumably because the money owing was paid.

Under a February 1958 agreement with the third director, Batenburg, who intended to form a new company, Plant and Machinery, Dunsheath undertook not to sell machinery within 50 miles of the main Auckland post office for five years. Seven months later, Dunsheath agreed to sell his company to Batenburg for one shilling. The March 1959 balance sheet revealed that only £346 16s 10d had been earned, and its interest in the Auckland Smelting Company, theoretically worth £3,000, was valueless. By 1960, when Dunsheath Machinery had no funds, Dunsheath decided to liquidate it once he was certain there were no claims outstanding.<sup>40</sup> Because of what he described as Plant and Machinery's 'dilatatory acts', liquidation was delayed.<sup>41</sup> At the beginning of 1965 he planned at some time in the future 'to recommence business with Company',<sup>42</sup> but a year later it was taken over by Batenburg, as trustee for Plant and Machinery Ltd, and liquidated.<sup>43</sup> As no records of Plant and Machinery have been located, it is not known whether Dunsheath was associated with it.

Dunsheath formed a variety of other companies. In 1935, he formed another private one, Sheffield Silversmiths, to 'deal in jewellery and incidental', with a capital of just £100; he held a quarter of the shares and Jeannie held the remainder.<sup>44</sup> Audiovision Ltd, also a private one, was established in 1949 to manufacture and import electronic industrial machinery, with Dunsheath and John Watson Muir Baxter, an electrical engineer, as sole directors.<sup>45</sup> In 1950, of the 10,000 £1 shares Dunsheath had 5,000, Dunsheath Machinery had 2,000, and Baxter had 3,000. In the following year, Baxter sold his interest to Dunsheath, who transferred 100 shares to his wife. She still held these in 1953, but by then Dunsheath had

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<sup>39</sup> Auckland Supreme Court, Action Files, BBAE 5041/583, A115/1957, ANZ-A.

<sup>40</sup> Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>41</sup> B.J. Dunsheath to District Registrar of Companies, 4 April 1961, Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>42</sup> B.J. Dunsheath to District Registrar of Companies, 29 January 1965, Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>43</sup> Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>44</sup> *Auckland Star*, 13 April 1935, p. 4.

<sup>45</sup> Company Files, BADZ 5181, box 1446 no. 16269, ANZ-A; B.J. Dunsheath to William Sullivan (Minister of Mines), 3 November 1953, Mines Department, MD 1C, 5/4/282, ANZ-W.

sold 7,600, retaining only 300; Radio Heaters of New Zealand and two other shareholders held the remaining shares, now totalling 13,000. In 1956, it was wound up upon the petition of a creditor, American Donuts (NZ) Ltd.<sup>46</sup>

In 1952, Dunsheath established Radio Heaters of New Zealand, another private company formed to sell scientific and electrical equipment. At first he was the sole director, but three years later his wife became the other one, Dunsheath holding 480 of the 500 shares. His only other occupation listed was as director of Dunsheath Machinery.<sup>47</sup>

In 1953 he was in conflict with the Dominion Glass and Sandblasting Company, a private company formed in 1951 that ceased business three years later, when Dunsheath Machinery had been asked to sell its plant.<sup>48</sup> According to Dunsheath, but not according to the Companies Office files, he owned it.<sup>49</sup> The company had been 'led to believe' that Dunsheath Machinery 'had sold the Outfit but now when we ask for the money Mr Dunsheath says it is not sold. On examination of the Plant at Mr Dunsheath's Store we find several parts missing', leading to it threatening legal action to recover its money.<sup>50</sup> Action was finally taken in April 1956, when the company declared that in October 1953 it had delivered its plant to Dunsheath's company with verbal instructions to sell its plant 'for the price of £500.0.0. clear of all commission and agency charges but with the further additional instruction' that before a sale was completed approval must be obtained. As Dunsheath Machinery had not informed it about a sale, Dominion Glass was 'unaware whether the Defendant has sold the aforesaid machinery or not'. If it had been sold, it sought an order directing payment of £500 plus interest. For once, four months later Dunsheath produced a 'statement of defence', claiming that in February 1954 Dominion Glass left the machinery and plant 'in premises formerly occupied by the Plaintiff and sold to Plastikpax'. Dunsheath, who was to sell the goods for £450 and receive a commission of £10 'per centum', claimed to have informed it that nothing had been sold apart from a sandblasting cabinet and insisted that he had always been willing to return the remainder, which 'had no commercial value whatever'. No judgment was recorded on

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<sup>46</sup> Company Files, BADZ 5181, box 1446 no. 16269, ANZ-A.

<sup>47</sup> Company Files, BAEA 5181, no. 27208, ANZ-A.

<sup>48</sup> Company Files, BADZ 5181, box 1001 no. 7043, ANZ-A.

<sup>49</sup> B.J. Dunsheath to William Sullivan, 3 November 1953, Mines Department, MD 1C, 5/4/282, ANZ-W; Company Files, BADZ 5181, box 1001 no. 7043, ANZ-A.

<sup>50</sup> Company Files, BADZ 5181, box 1001 no. 7043, ANZ-A.

the file or in the press;<sup>51</sup> had the dispute been settled out of court, possibly by the return of the machinery and plant?

In February 1954, Dunsheath and his wife were the sole shareholders of Plastikpax Ltd, another private company; he held three-quarters of the 2,000 £1 shares. It was established to import and export any type of material, to be founders, toolmakers, engineers, machinists, stampers, welders, electroplaters, and manufacturers of and dealers in plastics, and to be consulting engineers and chemists.<sup>52</sup> In 1962 its letterhead described it as 'Carton Packaging Specialists'.<sup>53</sup> In the mid-1950s, Harold Charles Pomeroy, an accountant, was its secretary as well as being secretary of Dunsheath Machinery.<sup>54</sup> In September 1965, Lawrence John Boyer became secretary, but resigned in the following February. Two months later, he informed the district registrar of companies that he 'was not satisfied with the manner in which it was run, and I have not received a penny to this day, for the services which I rendered'. As Dunsheath would 'not concede to acknowledge my resignation in writing' he was obliged to inform the registrar himself.<sup>55</sup> Two days after this letter was written, and one month after Eric Russell was recorded as being his replacement, the latter wrote to the registrar:

The registration of my name as secretary of the company was effected without my knowledge or consent and to the best of my knowledge a general meeting was never held nor any resolution passed to the effect of appointing me secretary.

In fact, I take strong exception to this high-handed and arrogant action of the managing director taking such a step as in view of the extremely questionable, and I would go as far as to say illegal acts which occur in this company, I would never under any circumstances agree to be appointed secretary. I have no doubt that these acts also extend to the companies under the same management – named Ipiana Ltd and Dunsheath Machinery Co Ltd and there could be others.

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<sup>51</sup> Auckland Supreme Court, Action Files, BBAE 5041/552, A153/1956, ANZ-A.

<sup>52</sup> Company Files, BADZ 5181, box 1487 no. 16638, ANZ-A.

<sup>53</sup> See letterhead on B.J. Dunsheath to District Registrar of Companies, 3 December 1962, Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>54</sup> Company Files, BADZ 5181, box 1377 no. 5758, box 1487 no. 16638, ANZ-A.

<sup>55</sup> L.J. Boyer to District Registrar of Companies, 11 April 1966, Company Files, BADZ 5181, box 1487 no. 16638, ANZ-A.

I would, therefore, request that my name be removed as secretary as urgently as possible with a note that the registration was effected without my knowledge or consent.<sup>56</sup>

(Ipiana Company is not recorded in the Companies Office files; clearly it was another of Dunsheath's private companies.) An example of questionable behaviour was its two shareholders agreeing at the annual general meetings in 1957, 1958, and 1959 not to appoint an auditor. After another man was secretary for almost a year, from April 1967 to September 1968 Dunsheath's wife, Elizabeth, held this post. The company's indebtedness declined from £1,489 1s in June 1956 to nothing in 1959; in 1960 another 500 shares were issued, to their son, then aged 14.<sup>57</sup> Two years later 1,250 shares were issued to three non-family members and Dunsheath took up 600. A petition to wind up the company was lodged by a creditor in May 1966, withdrawn two months later, but lodged again by the same person in June the following year; another creditor petitioned for the same purpose in the same month. It did not operate after 1967, and in October 1968 went into voluntary liquidation; in July the following year its assets were valued at \$677.83.<sup>58</sup>

Another private company with a similar name was formed in 1961: Plastikpax Sachets Ltd, which made customized packaging. Dunsheath and his wife were the directors, its capital being only 500 £1 shares. In 1967 it changed its name to Plastikpax Shoo Ltd because 'sachets' was misleading as its main product had become plastic curtains.<sup>59</sup>

In August 1956, Harold Gordon Reading, a retired bank manager, made a claim against Dunsheath, whom he described as 'a dealer in machinery and a company promoter'. He stated that in June the previous year Dunsheath had offered to sell 1,000 fully paid up shares in Flexipac Auckland Ltd for £1,000, claiming this company had the sole right to manufacture certain plastic containers. Dunsheath assured him that its English parent company, Flexipac Ltd, had sold the New Zealand rights to Flexipac Auckland, which in addition to having the 'sole and exclusive

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<sup>56</sup> Eric Russell to District Registrar of Companies, 13 April 1966, Company Files, BADZ 5181, box 1487 no. 16638, ANZ-A.

<sup>57</sup> Birth Certificate of David Hugh John Dunsheath, Births, 7686/1946 [microfische index], BDM.

<sup>58</sup> Company Files, BADZ 5181, box 1487, no. 16638, ANZ-A.

<sup>59</sup> Company Files, BAEA 5181, no. 27208, ANZ-A.

rights' had all the machinery required and were 'the only people in New Zealand' able to print on P.V.C. plastics. As all these statements turned out to be 'false and untrue', Reading had demanded the cancellation of their contract and the return of his £1,000, which had not been done. After noting that the shares had no value, he requested the court to set the contract aside and require Dunsheath to pay him £1,250. As Dunsheath did not file a defence, he must have lost the case.<sup>60</sup> On the same day in 1956 as this claim was filed, Freshfields Ltd of Auckland, manufacturers' representatives and importers, made an identical claim, noting in addition that it had taken up the shares in response to Dunsheath's newspaper advertisement. Once again, Dunsheath filed no defence, and must have lost the case.<sup>61</sup>

In May 1957, Dunsheath took action against Flexipac Auckland Ltd, of which he was managing director and manager from December 1954 to December 1956, when he became its manager until dismissed in the following April. He sued for payment of promissory notes totalling £800 issued on 1 March 1956, plus interest. Flexipac described him as 'the majority shareholder in, and the virtual controller of, Audiovision, Plastikpax, Dunsheath Machinery, and Radio Heaters of New Zealand, the activities of all these companies being 'similar to and/or accessory to the activities carried on by the Defendant Company'. Dunsheath on behalf of himself or these companies made contracts with Flexipac without disclosing his interests in these companies. It had been 'induced the said Promissory Notes by the fraudulent misrepresentation of Dunsheath, who had informed it (in February 1956) that the cost of converting a 'stepped gallery' in an Auckland building into three offices for the company would cost £1,000, which was false, as he knew. On 31 July 1956, by resolution of the board he was required to produce details of the costs of the machinery and goods supplied, but had not done so, and as he had 'ignored disobeyed or failed to comply with directions and requisitions lawfully made to him' it wanted him to produce these details in court and to be required to pay damages, being any profits he had made from the company. Not till October 1957 did Dunsheath inform it that he did not hold the documents sought, having posted them to 'the person entitled to the same'; as for other documents, he claimed these were privileged because they related to his dealings with his solicitor. The company informed the court that it did not hold the documents because of a fire in February that year as well as some

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<sup>60</sup> Auckland Supreme Court, Action Files, BBAE 5041, A357/1956, ANZ-A.

<sup>61</sup> Auckland Supreme Court, Action Files, BBAE 5041, A358/1956, ANZ-A.

being sent to others or removed by unauthorized people. No decision was recorded for the hearing held in October 1957, but it cannot have favoured Dunsheath.<sup>62</sup>

Dunsheath died in 1972, four days short of his eighty-fifth birthday.<sup>63</sup> As he had not made a will, presumably he had little to leave to his widow and friends after his years of struggling, sometimes unethically, to make a living from unprofitable small private companies.

In addition to his business ventures, Dunsheath was involved in community projects. Just before Wellington's carillon was inaugurated in April 1932, it was recalled that the movement to erect it dated back to November 1924, when Dunsheath placed his proposal for 'a campanile with bells' before the Wellington Soldiers' War Memorial Committee. Although his idea was rejected, others took it up, formed an association, and raised the funds; his firm obtained the contract to erect the campanile.<sup>64</sup> In April 1939 he was one of a three-man publicity for the Citizens' Home Defence movement and in the following month, when he was its organizer, was elected to its committee.<sup>65</sup> From December 1940 onwards he was secretary of the St Heliers Home Guard, whose motto was 'Prepare Now or Perish!'<sup>66</sup>

#### DUNSHEATH AND MINING

In 1951 Dunsheath described himself as an engineer but not a mining engineer: 'no degrees', although 'I have had experience in Mining'.<sup>67</sup> Two years later, he told the Minister of Mines that he had qualified as a mechanical and metallurgical engineer at Sheffield University.<sup>68</sup> The first time he was directly connected with mining was in December 1931, when he sought the forfeiture of a cinnabar license in the Puhipuhi district, near

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<sup>62</sup> Auckland Supreme Court, Action Files, BBAE 5041, A194/1956, ANZ-A.

<sup>63</sup> Death Certificate of Benjamin John Dunsheath, 7 August 1972, 1972/28704, BDM.

<sup>64</sup> *New Zealand Herald*, 7 April 1932, p. 6; *Evening Post*, 26 April 1932, p. 10.

<sup>65</sup> *Auckland Star*, 17 April 1939, p. 9; *New Zealand Herald*, 9 May 1939, p. 11, 10 May 1939, p. 16.

<sup>66</sup> Advertisement, *New Zealand Herald*, 14 December 1940, p. 6; advertisement, *Auckland Star*, 25 January 1941, p. 17.

<sup>67</sup> Te Aroha Warden's Court, Mining Applications 1951, Hearing of 17 October 1951, 1/1951, BCDG 11289/4a, ANZ-A.

<sup>68</sup> B.J. Dunsheath to William Sullivan, 3 November 1953, Mines Department, MD 1C, 5/4/282, ANZ-W.

Whangarei, on the grounds of non-working. As it was proved that ‘nothing of any importance had been done since 1922’, the syndicate was fined £25 but did not forfeit its license; from this amount, Dunsheath ‘was allowed a sum towards his costs’.<sup>69</sup> In the following November, when requesting a copy of the Mines Department’s instructions on how prospectors should peg out, he informed it that his Dunsheath Machinery Company had ‘already assisted a number of mining parties with Plant, and if your Department, at any time, is unable to accommodate any mining parties we shall be glad if you will mention our name to them and put them in direct touch, as we are prepared to give assistance and share the responsibilities’. His company had some used mining machinery and was ‘rather inclined to give greater facilities to reliable groups of Gold Miners’, provided it would ‘secure a recompense in the event of success being accomplished’.<sup>70</sup> Any involvement in mining that resulted has not been traced, apart from in January 1940, when from an unrecorded source this company sent five ounces of amalgam to the Thames School of Mines that produced 10dwt of bullion plus slate valued at £1 13s.<sup>71</sup>

In March 1935, Dunsheath held 50 of the 1,625 shares sold in Mahakirau Mines Limited, a private company formed by ten shareholders in 1933 to mine at Coromandel; it wound up in that same month.<sup>72</sup> In 1953, he proposed floating a company to prospect for oil in Northland, with George Ernest Hyde as his partner.<sup>73</sup> Hyde was a skilled mining engineer who, after studying for five years at the Karangahake School of Mines, worked in the Talisman mine.<sup>74</sup> According to a prospectus, he had

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<sup>69</sup> *New Zealand Herald*, 16 March 1932, p. 7.

<sup>70</sup> B.J. Dunsheath to A.H. Kimbell (Under-Secretary, Mines Department), 10 November 1932, Mines Department, MD 1A, 23/1/10, Part 2, ANZ-W.

<sup>71</sup> Thames School of Mines, Assay Book 1938-1941, folio 769, School of Mines Archives, Thames.

<sup>72</sup> Company Files, BADZ 5181, box 693 no. 4518, ANZ-A.

<sup>73</sup> B.J. Dunsheath to C.H. Benney, 22 September 1953, Mines Department, MD 1C, 5/4/282, ANZ-W.

<sup>74</sup> *Auckland Weekly News*, 13 February 1913, p. 36, 13 March 1913, p. 48; James Park to Under-Secretary, Mines Department, 19 January 1916, Mines Department, MD 1, 16/76; G.E. Hyde to A.H. Kimbell, 21 February 1928, Mines Department, MD 1, 21/2/28; B.J. Dunsheath to William Sullivan, 3 November 1953, Mines Department, MD 1C, 5/4/282; G.E. Hyde to Under-Secretary, Mines Department, 26 January 1969, Ministry of Commerce, AATJ 6090, 5/4/352/1, ANZ-W.

graduated with distinction from the Otago School of Mines before assisting the New Zealand Geological Survey and then prospecting in Australia, the United States, and Mexico, doing ‘considerable work on the Californian oilfields’.<sup>75</sup> Since 1935, he had explored the supposed Northland oilfield they intended to prospect.<sup>76</sup> In 1938, he formed Northern Oilfields Ltd, being a director for its first year and then its geologist. Although he predicted success in its 1940 prospectus, it was wound up six years later. Another shareholder was Thomas Raymond Impey, later a director in the Auckland Smelting Company; Dunsheath held no shares.<sup>77</sup> Hyde Oil (Kaitaia) was formed in 1954, and Hyde actively prospected until his death in 1969.<sup>78</sup> Despite earlier expressing interest, Dunsheath did not hold any shares.<sup>79</sup>

Hyde came to Dunsheath’s attention because, for a short period in the 1920s, he had held the Peter Maxwell claim, near the top of Te Aroha mountain, plus prospecting licenses at Tui.<sup>80</sup> At the request of Dunsheath’s Auckland Smelting Company, in 1952 Hyde inspected its work at Tui.<sup>81</sup> In the following year, when applying for a petroleum prospecting license in their joint names, Dunsheath informed the Minister that, having made preliminary explorations with Hyde, they proposed ‘to interest a group of

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<sup>75</sup> Prospectus of Northern Oilfields Ltd (1940), Company Files, BADZ 5181, box 796 no. 5246, ANZ-A.

<sup>76</sup> Company Files, BADZ 5181, box 796 no. 5246, ANZ-A; B.J. Dunsheath to C.H. Benney, 27 September 1953, Mines Department, MD 1C, 5/4/282; G.E. Hyde to Under-Secretary, Mines Department, 26 January 1969, Ministry of Commerce, AATJ 6090, 5/4/352/1, ANZ-W.

<sup>77</sup> Company Files, BADZ 5181, box 796 no. 5246, ANZ-A.

<sup>78</sup> See Ministry of Commerce, AATJ 6090, 5/4/281/1, Part 1, 5/4/352, 5/4/352/1, 5/4/282, Part 1, ANZ-W.

<sup>79</sup> Company Files, BAEA 5181, box 2298 no. 22223, ANZ-A.

<sup>80</sup> Te Aroha Warden’s Court, Register of Applications 1921-1934, Hearings on 14 June 1926, 24 August 1926, 13 December 1926, 11 April 1927, 12 September 1927, BBAV 11505/6b; Mining Applications 1927, 5, 15/1927, Mining Applications 1928, 1/1928, BCDG 11289/2a, ANZ-A; Matthew Paul to Under-Secretary, Mines Department, 21 February 1928, 28 March 1928, Mines Department, MD 1, 10/9/50, ANZ-W; *Te Aroha News*, Warden’s Court, 16 June 1926, p. 3, 12 October 1927, p. 4, Warden’s Court, 12 December 1928, p. 4.

<sup>81</sup> G.E. Hyde to Auckland Smelting Company, 5 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

friends in this proposal'.<sup>82</sup> Later that month, he told the under-secretary of the Mines Department, Cecil Henry Benney,<sup>83</sup> that a small private company was being formed, and, on the assurance that it would 'energetically engage' in prospecting and drilling, was not required to provide a deposit.<sup>84</sup> A year later, he assured the department that he was trying to interest New Zealand and overseas capital,<sup>85</sup> but within two months decided to transfer his interests to Hyde 'in the light of his many obligations'.<sup>86</sup> Hyde had done all the practical work, Dunsheath 'contributing only to the application and rental fees'; he had been meant 'to attend to the financial side of the proposition but due to his many other interests this objective has been somewhat neglected'.<sup>87</sup>

### PRELIMINARY WORK AND PLANS FOR TUI

According to the *Te Aroha News*, Dunsheath was 'solely responsible' for the Auckland Smelting Company being established to rework the Tui mines.<sup>88</sup> In May 1950, Dunsheath wrote that he was putting his 'whole time' into them.<sup>89</sup> A month later, he claimed to be 'unconcerned' whether he made 'any money at all out of this Scheme' to which he was 'giving every possible support in time, thought and finance', despite having received no financial benefit from floating it.<sup>90</sup>

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<sup>82</sup> B.J. Dunsheath to William Sullivan, 3 November 1953, Mines Department, MD 1C, 5/4/282, ANZ-W.

<sup>83</sup> See *New Zealand Herald*, 1 April 1940, p. 10; Death Certificate of Cecil Henry Benney, 1980/54028, BDM.

<sup>84</sup> B.J. Dunsheath to C.H. Benney, 19 November 1953, Mines Department, MD 1C, 5/4/282, ANZ-W.

<sup>85</sup> B.J. Dunsheath to C.H. Benney, 6 October 1954, Mines Department, MD 1C, 5/4/282, ANZ-W.

<sup>86</sup> G.E. Hyde to C.H. Benney, 2 December 1954, Mines Department, MD 1C, 5/4/282, ANZ-W.

<sup>87</sup> G.E. Hyde to C.H. Benney, 21 December 1954, Mines Department, MD 1C, 5/4/282, ANZ-W.

<sup>88</sup> *Te Aroha News*, 20 June 1952, p. 5.

<sup>89</sup> B.J. Dunsheath to C.H. Benney, 21 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>90</sup> B.J. Dunsheath to C.H. Benney, 29 August 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

When Dunsheath first sought prospecting, mineral, and special quartz claim licenses in May 1948,<sup>91</sup> he immediately ran into difficulties with the borough council because it feared for its water supply.<sup>92</sup> He ‘was interested principally in lead’, but preliminary prospecting had discovered ‘worthwhile quantities of gold, silver, copper, zinc and other metals’. He claimed to have ‘sufficient capital and adequate plant available, and there would be no call on the public for funds, or calls on sterling and dollar resources for purchase of plant’.<sup>93</sup> He assured the warden that he was not a mere company promoter but intended to develop the resource to benefit New Zealand.<sup>94</sup>

During 1948, Dunsheath, Walter Haydn Burton,<sup>95</sup> and Bassett prospected the area.<sup>96</sup> Edward John Scoble, the mining inspector, reported that they had obtained encouraging results from surface prospecting and from reopening No. 3 level.<sup>97</sup> The results were indeed encouraging, for although they were searching mainly for base metals, assays made in June from samples Scoble collected from an outcrop at the No. 4 level produced 6oz 11dwt of gold, and a nearby outcrop gave 3oz 8dwt, silver being found in both cases. Much lower assay results were obtained from the Peter Maxwell mine and another mine dump.<sup>98</sup>

In August, William Daubney, an Otahuhu contractor, wrote to Bob Semple (unfortunately spelling his name ‘Simple’), the Minister of Public Works, enclosing a statement produced for potential shareholders about how he, Dunsheath, and Bassett intended to open up a ‘substantial deposit’ of galena. The ore would be sent ‘more than a mile’ to the smelting works

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<sup>91</sup> Te Aroha Warden’s Court, Register of Applications 1934-1961, 2, 4-8/1948, BBAV 11505/2a, ANZ-A.

<sup>92</sup> See paper on pollution in the Te Aroha district.

<sup>93</sup> *Te Aroha News*, 13 August 1948, p. 5.

<sup>94</sup> Evidence by B.J. Dunsheath at Hearing of 17 October 1951, Te Aroha Warden’s Court, Mining Applications 1951, BCDG 11289/4a, ANZ-A.

<sup>95</sup> See below.

<sup>96</sup> Te Aroha Warden’s Court, Warden’s Notes of Evidence at Hearing of 11 August 1948, 6/1948, B.J. Dunsheath File 1948-1949, BCDG 11289/4a, ANZ-A; William Daubney to Minister of Public Works, 5 August 1948, Mines Department, MD 1, 10/27/124; B.J. Dunsheath to R.F. Landreth, 6 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W; *AJHR*, 1949, C-2, p. 35.

<sup>97</sup> *AJHR*, 1949, C-2, p. 35.

<sup>98</sup> Waihi School of Mines, Assay Certificate, 21 June 1948, Inspector of Mines, BBDO 18634, A902, M85, ANZ-A.

site, which was ‘well away from trees and habitation of any kind with the result that there can be no objection whatever from any possible fumes’. He enclosed an ore sample ‘which we can assure you is placed in substantial seams which we consider can be advantageously worked with modern machinery which we possess. We are skilled in the matter of treatment of the ore and refining of same’. Should the area be closed to them because of pollution fears, it would be ‘an economic catastrophe so far as New Zealand is concerned, because if we or anyone else can produce from 500 to 5000 tons of Lead a year and the Government receives the royalty from same, we believe we are justified in expecting support and encouragement’. Before the hearing in the warden’s court they were ‘most anxious to have the proof of encouragement by some reputable Minister with technical knowledge’, and enclosed plans plus a draft letter for people to send supporting the syndicate’s venture because New Zealand was ‘vitaly and economically interested in the success of your mine and smelting works’. There was no ‘insuperable difficulty’ in permitting mining whilst protecting the water supply; and Semple could ‘rest assured that you have my whole-hearted support and if you would like me to help you further I shall be happy to do so’.<sup>99</sup>

(Daubney had no known expertise in mining or treating such ore. In 1916, when at Gisborne, a company wanted him declared bankrupt because he was unable to pay the £257 4s 1d owing.<sup>100</sup> In 1929, when a plumber at Henderson, Auckland, he had been taken to court to force him to pay wages to a 16-year-old he had illegally employed as his assistant.<sup>101</sup> Working as a builder and plumber at Napier after the earthquake there, he was adjudged bankrupt in September 1932. His debts amounted to £1,137 18s 2d, and as his assets realized only £33 10s 3d a dividend of only 4 3/5d in the £ was paid.<sup>102</sup> After his bankruptcy meeting, he left Hastings for Frankton Junction, at Hamilton, where in July 1933 he was reportedly running a boarding house.<sup>103</sup> In the following month, when he was a carrier at

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<sup>99</sup> William Daubney to Robert Semple, 5 August 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>100</sup> Advertisement, *Poverty Bay Herald*, 22 December 1916, p. 4.

<sup>101</sup> *New Zealand Herald*, 24 September 1929, p. 12.

<sup>102</sup> Insolvency Files, Ministry of Economic Development, Napier Office, ACCC 7604, W5008, no. 546, ANZ-W.

<sup>103</sup> Official Assignee, Napier, to Director General of Health, 7 July 1933, Insolvency Files, Ministry of Economic Development, Napier Office, ACCC 7604, W5008, no. 546, ANZ-W.

Rotorua, he stole a load of house blocks. Despite pleading that his wife was dangerously ill and that poverty had driven him to this extreme because of his bankruptcy, having been earlier convicted of two charges of false pretenses he was sentenced to three months' imprisonment.<sup>104</sup> Three years later, when he sought his discharge, he was a dairy farmer.<sup>105</sup> The official assignee was unwilling to grant a discharge, explaining that there had been 'much dissatisfaction' amongst creditors because 'practically nothing about this estate turned out to be as represented by bankrupt and he appeared to have a dispute with everybody he had dealings with. I may further add that he was not at all helpful to me', for after arranging to meet him to explain his affairs Daubney left the district and made no further contact.<sup>106</sup> In 1937, when his tearoom and store at Orewa was destroyed by fire within three months of being erected, his wife was in hospital, leaving him to look after their two children. After losing everything in this fire, he started rebuilding immediately.<sup>107</sup> In the following year, when fined for playing two-up in an Auckland gambling house, he was a labourer.<sup>108</sup> In 1945, when he was a builder and contractor living at Otahuhu, after 17 years of marriage his wife obtained a divorce on the grounds of desertion.<sup>109</sup> That there was no probate of his estate when he died in 1970, aged 78,<sup>110</sup> indicated that he had little or nothing to leave his children.)

To obtain public support, the syndicate publicized its plans. At the beginning of July, under the headline 'Big Development Possible', the *Te Aroha News* announced that, after three months of prospecting, Dunsheath and Bassett planned to extract New Zealand's annual lead requirement, approximately 4,000 tons.

They were not company promoters, they told a "News" representative, and were intending to work the claims themselves

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<sup>104</sup> *New Zealand Herald*, 17 August 1933, p. 12.

<sup>105</sup> R.A. Singer (solicitor) to Official Assignee, Napier, 10 July 1936, Insolvency Files, Ministry of Economic Development, Napier Office, ACCC 7604, W5008, no. 546, ANZ-W.

<sup>106</sup> Official Assignee, Napier, to R.A. Singer, 13 July 1936, Insolvency Files, Ministry of Economic Development, Napier Office, ACCC 7604, W5008, no. 546, ANZ-W.

<sup>107</sup> *Auckland Star*, 11 February 1937, p. 8.

<sup>108</sup> *New Zealand Herald*, 30 May 1938, p. 10, 11 June 1938, p. 19.

<sup>109</sup> Marriage Certificate of William Daubney, 1928/1504, BDM; *Auckland Star*, 11 April 1945, p. 6; *New Zealand Herald*, 27 September 1945, p. 7.

<sup>110</sup> Death Certificate of William Daubney, 1970/49608, BDM.

under the name of the Auckland Smelting Company. Mr Dunsheath, an importer of machinery, stated that he had sufficient machinery in Auckland to make a start on the job, and Mr Bassett, who was a metallurgist, said that the process which it was proposed to use would be new to this country. The ore would be extracted from the seam high up the mountain, transported to the works handy to the town, and there treated by a modern method which would not give rise to harmful fumes.

After explaining that, although they had government approval, the council had refused permission to mine until the pollution issue was resolved, Dunsheath described lead as ‘a scarce and valuable commodity’ and explained how it was needed. As Australia supplies might be reduced because of world demand, ‘the government was anxious for the company to reach the productive stage’. The company would be ‘highly beneficial for the township’, in time bringing in 100 employees and their families, thereby ensuring the retention of a good railway system. There would be no pollution from either smelting works or mine. They were ‘not tinpot prospectors’, having ‘already spent a considerable amount of money in the preparation work’. They would benefit both Te Aroha and ‘the rest of the country’, and hoped ‘to work amicably with’ the council.<sup>111</sup>

At the August hearing, his solicitor assured the warden that Dunsheath had ‘sufficient plant to start almost immediately’ and could operate a plant ‘economically’. Work would start with three employees, with one more being employed ‘when ore produced’. Three men would drive each additional adit, and two would operate the smelting works. The proposal was in the ‘public interest even to British Commonwealth’. Bassett explained they intended to drive to ‘pick up reef & run along reef. Possibly 2 other drives’. The method of treatment to be used was unknown. After hearing all the objections, the warden granted permission to mine, with conditions to avoid pollution.<sup>112</sup>

Some councillors were concerned about pollution, but others considered this fear was exaggerated. One described Dunsheath’s plan as ‘one of the few opportunities’ for increasing local prosperity, and two others opposed a blanket ban on mining.<sup>113</sup> According to one of Dunsheath’s associates,

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<sup>111</sup> *Te Aroha News*, 2 July 1948, p. 5.

<sup>112</sup> Te Aroha Warden’s Court, Warden’s notes of hearing of 11 August 1948, General Correspondence 1948, BBAV 11584/7d, ANZ-A.

<sup>113</sup> *Te Aroha News*, 23 July 1948, p. 5.

writing in August, the mayor and councillors were ‘most anxious to see this new industry started’ and as individuals were assisting the plans.<sup>114</sup> Charles Scott, a non-miner who described himself as ‘a mining man and a rate-payer’ and who had attempted to organize prospecting during the Depression,<sup>115</sup> in supporting Dunsheath’s venture quoted the latter’s arguments verbatim.<sup>116</sup> (But despite their statements of support, neither Scott nor any councillors acquired shares in the company.)<sup>117</sup>

‘Ratepayer’ believed that resuming mining ‘would start an era of progress that would result in the town becoming one of the most prosperous in the Dominion’. It was ‘practically devoid of progress’ at the moment, and he applauded the warden’s comment that ‘a community had either to progress or sit down and die’.<sup>118</sup> ‘Argus’ was also certain that ‘non-progressive’ councillors had failed to realize that, should pollution occur, they could apply for a government grant to obtain water from unpolluted streams.<sup>119</sup>

#### OBSERVERS AND OFFICIALS ASSESS THE POTENTIAL

When Dunsheath and Bassett announced their plans, a Wellington newspaper reported skepticism in mining circles that they could produce all New Zealand’s lead requirements. An unidentified Wellington expert said no lead had ever been mined commercially there; although the superintendent of the Waihi School of Mines had taken samples, ‘in no case could the assay be considered encouraging’. Much more testing was required before erecting a plant.<sup>120</sup> The Department of Industries and Commerce, interested because of difficulties in obtaining lead from overseas, in mid-

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<sup>114</sup> William Daubney to Minister of Public Works, 5 August 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>115</sup> See papers on the Depression years and prospectors and investors in the 1930s.

<sup>116</sup> Charles Scott to Minister of Mines, 31 August 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>117</sup> Returns of Allotments, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>118</sup> Letter from ‘Ratepayer’, *Te Aroha News*, 17 August 1948, p. 4.

<sup>119</sup> Letter from ‘Argus’, *Te Aroha News*, 17 August 1948, p. 4.

<sup>120</sup> Press cutting from *Southern Cross*, 14 July 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

1948 sent an official to inspect.<sup>121</sup> In asking Scoble to report, Benney noted that ‘little or no prospecting work has been done despite the exaggerated claims that have been made in the press’,<sup>122</sup> and advised the Department of Industries and Commerce of earlier evidence indicating that lead could not be produced economically. He did not think there ‘was the faintest doubt’ that Scoble’s report would be ‘most unpromising’.<sup>123</sup>

After summarizing the concerns over water pollution, Scoble noted that, despite optimistic reports by interested parties over the years, all the tests made had been ‘without success’. During June, he had inspected the property with Bassett, but as all the adits had collapsed an underground inspection was impossible. Bassett provided information about a winze that Walter Joseph Gibbs<sup>124</sup> had sunk in the 1930s and claimed Gibbs had exported 50 tons ‘but could give no figures’ about the results obtained. ‘The winze was full of water and I could not check up on the information’. Referring to the two good assays (already noted) that he had obtained from the broken stone at the outcrops of the Champion reef, Scoble warned that he had ‘no faith in these results as far as gold is concerned as the stone was undoubtedly selected by somebody in the past’. He was not ‘suggesting anything in connection with the present holders of the property’, and in fairness to Bassett noted ‘that he did not know I intended taking samples’. He had not told either Bassett or Dunsheath the confidential assay results. ‘Up to the time of my visit, practically no prospecting work had been done on the area by Bassett and Dunsheath as far as I could see, though it must be admitted that with lead at about £NZ120 a ton’ the ground was ‘worth testing’. He was not prepared to predict its value until the lode had been crosscut and sampled at depth.<sup>125</sup>

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<sup>121</sup> C.H. Benney to E.J. Scoble, 6 August 1948, Inspector of Mines, BBDO 18634, A902, M85, ANZ-A.

<sup>122</sup> C.H. Benney, to E.J. Scoble, 6 August 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>123</sup> C.H. Benney to Secretary, Department of Industries and Commerce, 6 August 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>124</sup> See paper on prospectors and investors in the 1930s.

<sup>125</sup> E.J. Scoble to C.H. Benney, 16 August 1948, Inspector of Mines, BBDO 18634, A902, M85, ANZ-A.

Robert Faulks Landreth,<sup>126</sup> a mining engineer who was the chief inspector of quarries and later became the Mines Department's chief engineer, was asked for his opinion. He considered that, although there was no gold at Tui, with zinc fetching £75 a ton and lead £100 and both were in short supply, these minerals might be profitably mined, and prospecting the lode would be worth doing.

In the past extravagant claims have been made as to the gold content of the ore and assays of samples have been produced which subsequent sampling by Government Officers completely disproved. Accordingly I am a little hesitant to accept without reservation the values claimed by Mr A.A. Adams.<sup>127</sup>

This was a reference to the 1929 report by Albert Augustine (Bert) Adams, son of Henry Hopper Adams,<sup>128</sup> which gave high values in base metals along with a small amount of gold and silver and stated that this proposition was 'one of the best' he had seen 'for many years'.<sup>129</sup> (Yet Adams did not acquire any shares in Dunsheath's venture.) Although John Julian Stephen Cornes of the Dominion Laboratory told Landreth there was lead and zinc in an area about which he had an 'intimate knowledge' and where members of his family had prospected for many years, Landreth pointed out that Cornes was a chemist, not a geologist.<sup>130</sup> (Cornes likewise did not purchase any shares.) 'Any suggestion of producing 4,000 tons of lead per year and satisfying New Zealand's requirements' was 'fantastic at this stage', and it would cost £20,000 to develop the mine. 'In common with the history of other mining fields in New Zealand if the money spent in trying to solve treatment problems and obtain finance from London had only been spent on prospecting and development some worthwhile information would

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<sup>126</sup> See *Press*, 10 May 1920, p. 5; *New Zealand Herald*, 27 July 1934, p. 7, 30 August 1934, p. 5.

<sup>127</sup> R.F. Landreth (Chief Inspector of Quarries) to C.H. Benney, 21 October 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>128</sup> See paper on Henry Hopper Adams.

<sup>129</sup> A.A. Adams to Edwin Mitchelson, 3 September 1929, Mines Department, MD 1, 10/9/25, ANZ-W.

<sup>130</sup> For Cornes' skills, see J.J.S. Cornes to Secretary, Thames School of Mines Council, 25 August 1935, Correspondence Inwards 1934-1935, School of Mines Archives, Thames.

have been obtainable'.<sup>131</sup> Without such information, the department could only make an educated guess about the prospects.

In the light of these reports, Benney decided it was worth prospecting the area 'vigorously'. Ministry of Health concerns about pollution were countered by the argument that a discovery of good ore would be valuable for the country and any threats to health could be avoided.<sup>132</sup>

## STARTING WORK

Prospecting was delayed whilst the pollution issue was debated with the council and the Health Department.<sup>133</sup> In September, once permission to prospect was granted, an editorial in the local newspaper believed 'progressive elements' would be pleased, for Dunsheath's party would 'give the mine a proper working test', and for the sake of Te Aroha it hoped they would succeed.<sup>134</sup> In the following month, after Dunsheath received plans of earlier mining from the Mines Department, he wrote that 'to thoroughly examine this area' was 'a big job', especially as most of the adits had fallen in. Work had started under the supervision of an Otago School of Mines graduate, unnamed, but so far they had 'only very lightly "skimmed the surface"'.<sup>135</sup>

In November, Dunsheath informed Benney that his 'technical consultants' had recommended 'an extensive Drilling programme', and asked whether the department could provide a drill.<sup>136</sup> Informed that none of the light drills deemed suitable were available,<sup>137</sup> he replied that it was 'imperative' their investigation took place over summer because their 'considerable experience' had revealed 'the impossibility of operating

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<sup>131</sup> R.F. Landreth to C.H. Benney, 21 October 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>132</sup> C.H. Benney to Minister of Mines, 2 November 1948; Minister of Mines to Minister of Health, 11 November 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>133</sup> See paper on pollution in the Te Aroha district.

<sup>134</sup> Editorial, *Te Aroha News*, 17 September 1948, p. 4.

<sup>135</sup> B.J. Dunsheath to C.H. Benney, 12 October 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>136</sup> B.J. Dunsheath to C.H. Benney, 29 November 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>137</sup> C.H. Benney to B.J. Dunsheath, 2 December 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

unrestrictedly there in the winter'. Complaining about delays caused by the pollution issue, Dunsheath claimed his company had 'the highest skilled engineers, both mining and geological and sanitary, operating on our behalf' (with one exception, their names were never given), who were all 'most emphatic in stating that we should "get on with the job and produce the Lead" '. He asked 'in all sincerity to please give us the word to get on with producing' it because of the increased need for it. To explain why light drills would be inadequate, he outlined his intention

to follow the dip and strike of the lode downwards as far as economically possible, or till the Drill reaches the fault zone. I then propose to explore from this level horizontally to pick up the faulted ore body or to prove its disappearance at this level. If I cannot locate a continuation at depth from this point, horizontal drill holes to prove the lateral extensions of the ore body will have to be made, as the ore body will have to be opened up from this level.

In that way, he hoped to overcome the Health Department's concerns by opening up the mine below the water catchment.

I expect to have a minimum programme of six holes to commence with, but if the ore body develops as I hope, there will be a series of these six holes at various intervals down the mountainside. From this, you will be able to realise that an extensive programme is required which would have to be undertaken by a Drill capable of recovering cores from 500 to 1,000ft in depth. I naturally realise the demand being made on all your good equipment at present, but I am glad to advise you that I have received an offer from an overseas man of great experience [unnamed, as usual] to do all the drilling I require and he has already quoted a price at so much per foot of core recovered, and he can do drilling of the distance I require as indicated above, and of course there would be no contamination whatever from water and sludge leaving the bores, because my contract is that all sludges are collected and taken away for complete examination along with the cores.

This man guaranteed he would not pollute any stream, 'and naturally I have made terms with him feeling I am very fortunate in getting his services'.

As you can no doubt realise, this work is going to cost a lot of money, but it will give a complete geological survey of the Lode

Systems with the minimum disturbance of the surface area of the leases.

What is very important to me, and to New Zealand's economy as a whole is that the work can be proceed[ed] with immediately and completed by contract much earlier than any other known drilling programme we have heard of in New Zealand.

Assuming that Benney would appreciate his 'terrific efforts', he asked him to obtain the Minister's assistance in overcoming the 'pettifogging objection' raised over pollution.<sup>138</sup>

Eight days later, to counter these objections, Dunsheath and Keith A. Beatson, director of the Waihi School of Mines from 1946 to mid-1949,<sup>139</sup> who was testing the samples, informed councillors that they were prospecting on the basis of 'skilled advice' and wanted to diamond drill to locate the 'exact position' of the lodes, at a cost of from £3,000 to £10,000. Beatson's comment that prior council consent had not been granted for removing samples prompted the note-taker to record: 'Illegally on area'. They needed a 'complete record' of the lode, which diamond drilling would provide without creating pollution.<sup>140</sup> By the beginning of the following year, Dunsheath was increasingly impatient at the delays caused by pollution concerns, for he was spending £26 5s a week plus wages for two to three men, a mining engineer, and other staff. He claimed that Norman Annabell,<sup>141</sup> the borough engineer who was 'the instigator' of the objections, had 'boasted that he has taken steps to prevent my Mining Scheme going forward. He seems particularly jubilant, and has even this last few days erected a large notice prohibiting any person passing through the pathway which leads to the Mine'. The delay was holding up his other applications, expensively.<sup>142</sup>

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<sup>138</sup> B.J. Dunsheath to C.H. Benney, 6 December 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>139</sup> K.A. Beatson to Secretary, Waihi School of Mines Council, 30 June 1949, Correspondence 1946-1953, Waihi School of Mines Papers, MS 315, Library of the Auckland Institute and War Memorial Museum.

<sup>140</sup> 'Notes of Statements made by Dunsheath and Beeson [correctly Beatson] to Council, 14/12/48', Te Aroha Borough Council, A/26/6/1, Matamata-Piako District Council Archives, Te Aroha.

<sup>141</sup> See paper on pollution in the Te Aroha district.

<sup>142</sup> B.J. Dunsheath to C.H. Benney, 26 January 1949, Mines Department, MD 1, 10/27/124, ANZ-W.

After his arrangement with the proposed drilling contractor fell through for reasons unknown but probably financial, in July 1949 Dunsheath renewed his request for drills, but none were available.<sup>143</sup> In the following month, when he announced a new plan to reopen some crosscuts and drives and requested technical advice from the department and the Director of the Geological Survey, he was told this could be given once the drives were opened and plans made.<sup>144</sup>

## PLANS

In August 1949, the *Auckland Star* announced that preparations were being made to open New Zealand's first lead mine. 'Preliminary investigations' had found it 'to be rich in lead, gold, silver, zinc and copper', which would be extracted 'by a big company expected to begin operations in about two years'. A new firm, the Auckland Smelting Company, to be gazetted 'soon', planned to spend 'one to two years analyzing the ore and tracing the path of the seam' before mining. This report, clearly based on Dunsheath's information, provided details of earlier failed attempts to treat and export the ore. Dunsheath was cited as having overcome the objections 'from fourteen separate public bodies and Government departments' and as intending, 'based on the recommendations of leading outside mining engineers', still unnamed, to thoroughly test by tunnelling and diamond drilling. No 'objectionable treatment plant' would be erected near Te Aroha. The company would 'test the ground preparatory to forming a big company with adequate capital' to develop it and install 'an ore dressing plant' using 'modern selective flotation methods'. Dunsheath expressed surprise that, despite the country having to import all its lead, zinc and copper, nobody had 'had the foresight to make a major trial and find the value of the deposits'. He estimated that the gold and silver in the ore might be almost as valuable to the base metals. The article concluded that they did 'not know what other minerals and elements might be found in the initial opening-up work', but were being assisted by 'excellent technical advisers in Australia and the United Kingdom', who would be 'supplemented soon'.<sup>145</sup>

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<sup>143</sup> Memorandum by R.F. Landreth, 18 July 1949, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>144</sup> B.J. Dunsheath to C.H. Benney, 9 August 1949; C.H. Benney to B.J. Dunsheath, 22 August 1949, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>145</sup> *Auckland Star*, 16 August 1949, p. 3.

In the absence of the company's records, there is no evidence of any overseas advisers visiting, although there must have been correspondence, particularly about selecting a suitable plant. Without visiting the ground, receiving complete information, and testing the ore, no overseas expert could have provided meaningful advice. In September, Dunsheath wrote that 'we have been extremely disappointed by the unreliable information given by some men who claim to be competent mining engineers', again unnamed. As the only plans he had were 'by no means correct', he would have to employ a surveyor.<sup>146</sup>

That Dunsheath provided information to the Te Aroha business community was indicated by the president of the Chamber of Commerce stating that there was no danger of pollution, that the ore body was 'very extensive', and that 'vast quantities' of lead could be extracted.<sup>147</sup>

#### FORMING A COMPANY

In 1949, Dunsheath told Benney that originally he had intended 'to prospect the area with his own funds but he received friendly advice that it would be wiser to collect a group of men willing to risk the cost of prospecting'.<sup>148</sup> William Daubney, who described himself as Dunsheath's partner, in August 1948 told the Minister of Public Works that they would form 'a private company working more or less on co-operative lines'. It was 'not intended to make this scheme the subject of fancy company promotions', as they were confident of producing 'some valuable metals without depending upon big financial institutions'. He sought encouragement but not money from the government, for they were 'skilled men quite able to start in a very small way' and meet the development costs 'as we go along'. They had 'a few thousand pounds worth of machinery already available'.<sup>149</sup> (Daubney was yet another person who, despite making high claims, did not acquire any shares.)

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<sup>146</sup> B.J. Dunsheath to C.H. Benney, 6 September 1949, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>147</sup> *Te Aroha News*, 9 December 1949, p. 5.

<sup>148</sup> B.J. Dunsheath to C.H. Benney, 28 November 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>149</sup> William Daubney to Robert Semple (Minister of Public Works), 5 August 1948, Mines Department, MD 1, 10/27/124, ANZ-W.

The Auckland Smelting Company, registered on 19 October 1949, had a capital of £10,000, in £1 shares, which both its secretary, Alexander Page,<sup>150</sup> and mining officials considered inadequate.<sup>151</sup> Julius Hogben, its solicitor, did not anticipate ‘any difficulty in raising this amount’.<sup>152</sup> It did not issue a prospectus, Page informing a sharebroking firm that ‘a document in lieu of Prospectus was prepared but not published’. When brokers ‘asked if there was any printed matter at all, that we could have’, Page referred them to Dunsheath, ‘who, he was sure, could give us any information an investor would require’.<sup>153</sup> The four-page statement of objectives referred to by Page, dated 20 October, listed the ‘Signatures to Memo of Assn & Articles’ as four Aucklanders:<sup>154</sup> Dunsheath, Thomas Raymond Impey, a paint merchant and partner and assistant manager in Phillips and Impey Ltd,<sup>155</sup> Thomas Stewart Littlejohn, managing director of Aluminium Utensils Ltd and manager of Metal Products Ltd,<sup>156</sup> and Emmeline Young, widow of James Alexander Young and his successor as sole owner of Robert Young and Company, a private company of manufacturing jewelers, and by then sole director of her brother’s goldsmith’s business.<sup>157</sup> The other signatories were Andrew McMurtree of

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<sup>150</sup> See Probates, BBAE 1570, P934/1956, ANZ-A; *New Zealand Herald*, 5 December 1942, p. 4.

<sup>151</sup> G.A. Buttle and Co. to Gilchrist Sons and Burns, 14 November 1949, Te Aroha Borough Council, A/26/6/1, Matamata-Piako District Council Archives, Te Aroha; E.J. Scoble to C.H. Benney, 27 February 1950; R.F. Landreth to C.H. Benney, 9 March 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>152</sup> Te Aroha Borough Council, Minutes of Special Meeting of 22 November 1949, Minutes of Meetings 1947-1950, pp. 436-437, Matamata-Piako District Council Archives, Te Aroha.

<sup>153</sup> G.A. Buttle and Co. to Gilchrist Sons and Burns, 14 November 1949, Te Aroha Borough Council, A/26/6/1, Matamata-Piako District Council Archives, Te Aroha.

<sup>154</sup> Auckland Smelting Company, Return of Allotments to 26 June 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>155</sup> See Company Files, BADZ 5586, 1911/66; Probates, BAZZ 1570, 2799/1993, ANZ-A.

<sup>156</sup> See B.J. Dunsheath to C.H. Benney, 28 November 1949, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W; Probates, BBAE 1570, P1163/1963, ANZ-A; *New Zealand Herald*, 25 November 1939, p. 10.

<sup>157</sup> See Company Files, BADZ 5181, box 1976 no. 19903; box 969, no. 6698; box 2008, no. 20092; Probates, BBAE 1570, P800/1939; P73/1975; P869/1986, ANZ-A; *New Zealand Herald*, 3 February 1939, p. 13.

Manawatu Heads, a retired farmer, and two Palmerston North residents: Martin Pearce, a company manager, and Frederick Newton Andrews, a house furnisher. Its objects were to acquire all Dunsheath's licenses, to take up mining privileges and to 'carry on Mining operations of every kind at any place in N.Z.', to be 'metal dealers, metallurgists, assayers &c', indeed 'to carry on any business or agency of any kind', form new companies, and lease land.<sup>158</sup>

The first directors were Impey, Littlejohn, and Dunsheath. The latter, managing director until he ceased to be a director, was to receive one paid-up share for every two shares sold, up to a total of £5,000, as payment for transferring his properties and rights to the company.<sup>159</sup> When it was formed, he received only £100 fully paid up shares, the eventual 5,000 'not to be issued until the Capital of the Company was increased which was prohibited by legislation unless by special permission'.<sup>160</sup> His fellow directors were, Dunsheath wrote, 'most enthusiastic' and 'determined to see what is of value in the Te Aroha Mountains'.<sup>161</sup> 'No professional Company Promoters ever were or are connected with this scheme which has been commented upon most favourably by many Overseas Firms', unspecified.<sup>162</sup>

Page, a public accountant who Dunsheath said had 'for many years' been 'on the Staff of the Waihi and Martha Mining Companies',<sup>163</sup> reported in early November that 'shares were being readily taken up', with over 7,000 subscribed.<sup>164</sup> The return of allotments to 2 November revealed that only 6,000 had been allotted, 10s being paid for 200 and 5s for the remainder. Dunsheath had received a first installment of 100 paid up shares. There were 56 other shareholders. Those with 200 shares, apart

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<sup>158</sup> Auckland Smelting Company, 'Statement in Lieu of Prospectus', 20 October 1949, Te Aroha Borough Council, A/26/6/1, Matamata-Piako District Council Archives, Te Aroha.

<sup>159</sup> Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>160</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>161</sup> B.J. Dunsheath to C.H. Benney, 28 November 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>162</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>163</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>164</sup> G.A. Buttle and Co. to Gilchrist Sons and Burns, 14 November 1949, Te Aroha Borough Council, A/26/6/1, Matamata-Piako District Council Archives, Te Aroha.

from directors Impey and Littlejohn, were a master plumber of Whangarei and a company manager of Auckland. Four people had 250 shares each: Emmeline Young (now described as a company manager), a Rotorua fish merchant, an Auckland manufacturing plumber, and a Whangarei civil engineer. At Kamo, a plumber had 400 and a farmer had 500. There were 21 shareholders with 100 shares each, in one case in joint names, and 24 shareholders had 50, the lowest number allocated. One lived in Hamilton and another in Foxton, two each in Mercer, Whangarei, Helensville, and Rotorua, three at Te Awamutu, nine at Palmerston North, and 24 at Auckland. There were eight other women apart from Young: an 'Apartment House Proprietress', a company director with the same occupation and address as her husband, a fish merchant who jointly owned shares with a male fish merchant, and five who gave their occupation as 'Married Woman'. In addition to these shareholders, others had a wide range of occupations. Apart from one retired miner, not one had an occupation that suggested familiarity with any sort of mining, although the five company directors, the one managing director, the two company managers and the one factory manager may be assumed to have been able to discern whether this investment was likely to be profitable. Possibly the departmental manager would also have had these skills, but there was no indication of what he managed. There were four storekeepers, two master builders and two salesmen, and the following occupations were each represented by one shareholder: hotel proprietor, insurance representative, electrical engineer, manufacturer, petrol station proprietor, retired farmer, stationer, pastry cook, pastry cook proprietor, commercial traveller, jeweller, timber merchant, master plumber, milk bar proprietor, motor dealer, car painter, house furnisher, instructor, and fish merchant.<sup>165</sup>

#### WALTER HAYDN BURTON

The skills of two men were to be crucial. Dunsheath had reported in August 1949 that he had got a 'good, experienced man' as manager, and in the following month described him as one who, although 'not a fully qualified mining engineer', had 'capacities and knowledge far more useful

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<sup>165</sup> Auckland Smelting Company, Return of Allotments to 2 November 1949, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

than some of the men holding paper credentials'.<sup>166</sup> He was Walter Haydn Burton, aged 64 in 1949, an engineer. His father, confusingly another Walter Haydn, had been a mine manager;<sup>167</sup> in 1913 his son felt it necessary, when applying for a water race at Maratoto, to indicate that he was 'the younger'.<sup>168</sup> According to Dunsheath, writing in February 1952, Burton had had over 30 years experience of mining and prospecting.<sup>169</sup> Four months later, Dunsheath revised that to 40 years of mining experience in New Zealand; he had 'at times been in charge of fairly large Shows including the "Zeehan" [at Waiomu], also "Maratoto," and several others. His experience has been very wide both underground and on the surface, and at all times I have found him a most valuable asset'. Burton had helped to prospect Tui before the company was formed.<sup>170</sup> He was recorded as a shareholder in eight claims at Coromandel and Thames from the early twentieth century until the late 1930s, and in 1937 was granted a prospecting license for the latter district.<sup>171</sup>

Scoble, who had known Burton for some 14 years, reported that he had worked in the Ohinemuri Gold and Silver Company's mine at Maratoto and might have been a foreman there for a time before leading a prospecting party at Thames. Although 'a sound and reliable man', he did not have any 'special mining qualifications'.<sup>172</sup> Burton had prospected at Tapu, near

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<sup>166</sup> B.J. Dunsheath to C.H. Benney, 9 August 1949, 6 September 1949, Mines Department, MD 1, 10/27/124, ANZ-W.

<sup>167</sup> Birth Certificate of Walter Haydon Burton, 1885/759; Death Certificates of Walter Haydn Burton (father), 4 April 1945, 1945/16733; Walter Haydn Burton (son), 4 January 1970, 1970/26260, BDM.

<sup>168</sup> Advertisement, *Ohinemuri Gazette*, 26 September 1913, p. 3.

<sup>169</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>170</sup> B.J. Dunsheath to R.F. Landreth, 6 June 1952, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>171</sup> Coromandel Warden's Court, Register of Mining Applications 1901-1912, p. 132, ZAAN 14035/6a; Mining Applications 1912-1932, p. 118, ZAAN 14035/6b; Thames Warden's Court, Register of Applications 1906-1910, pp. 12, 34, 59, BACL 14354/5a; Register of Applications 1906-1910, pp. 181, 1882, BACL 14360/3a; Register of Applications 1910-1914, p. 118, BACL 14354/6b; Register of Applications 1934-1950, p. 128, BACL 14360/10a, ANZ-A.

<sup>172</sup> E.J. Scoble to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

Thames, in early 1924,<sup>173</sup> and later that year the director of the Thames School of Mines, Hugh Crawford, informed his Waihi counterpart that he had been asked by 'Haydn Burton of the Zeehan Consolidated' to help find a young man with a first class mine manager's certificate to develop its mine and 'work under an uncertificated man (Haydn Burton)'.<sup>174</sup> Later in that decade, Burton took samples for Zeehan Consolidated Ltd and treated most of them under Crawford's supervision.<sup>175</sup>

In 1932, when living in Auckland, Burton told Crawford that he was 'very anxious to prospect some ground near Thames', but was 'not quite strong enough financially to carry on without a little assistance'. He wondered whether he could receive money under the unemployment scheme, for although this was intended for Thames men, 'I think I can rank as a Thames man, though I have been away for a little time I worked there long enough, and spent a lot of money there'. His proposed prospecting would take about 12 months.<sup>176</sup> Not being a Thames resident, he was deemed ineligible.<sup>177</sup> In 1937, he applied to prospect at Waiomu.<sup>178</sup>

As he was not certificated, Burton could not manage the company's mine and instead was described as its supervisor, his tasks being to assist the mine manager and, from the end of 1950, to be in charge of surface work.<sup>179</sup>

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<sup>173</sup> Thames School of Mines, Assay Book 1919-1927, entry for 31 January 1924, School of Mines Archives, Thames.

<sup>174</sup> Hugh Crawford (Director, Thames School of Mines) to Director, Waihi School of Mines, 29 October 1924, Thames School of Mines, Outwards Correspondence 1923-1925, School of Mines Archives, Thames.

<sup>175</sup> Hugh Crawford to Managing Director, Zeehan Consolidated Ltd., draft, n.d. [1927?], Thames School of Mines, Inwards and Outwards Correspondence 1920-1933, School of Mines Archives, Thames.

<sup>176</sup> W.H. Burton to Hugh Crawford, 6 February 1932, Thames School of Mines, Correspondence: Inwards 1932-1933, School of Mines Archives, Thames.

<sup>177</sup> Hugh Crawford to W.H. Burton, 10 February 1932, Thames School of Mines, Outwards Correspondence 1930-1932, School of Mines Archives, Thames.

<sup>178</sup> Application for Prospecting License, 5 November 1937, Inspector of Mines, BBDO A902, MM148G, ANZ-A.

<sup>179</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, 11 July 1952; B.J. Dunsheath to R.F. Landreth, 6 June 1952, 19 June 1952; Auckland Smelting Company Limited, 'Te Aroha Mine 1951', typescript, n.d. [May 1951], p. 5, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

## BERT McARA

The mine manager, appointed in November 1949 when aged 41, was James Bert McAra, known to everyone as 'Bert'.<sup>180</sup> McAra had been born at Waikino, where his father worked at the battery and had a 100-acre 'farm' of fern and scrub.<sup>181</sup> In his history of mining at Waihi, McAra wrote a vivid sketch of his childhood,<sup>182</sup> recalling that his occasional visits to the battery with his father were 'among the highlights of my earlier years. I can still remember the thrill when I first saw the great machines, the vast tanks of slimes and solutions crossed on narrow plank walkways, and heard the hum of electric motors and the thud-thud of air-compressors'. While his father was chatting to his mates, he 'took in the magic of the surroundings'. From the *Scientific American* he became interested 'in the world of science', from which he drew 'a great deal of pleasure and satisfaction'.<sup>183</sup> After leaving school, he 'took on clerical work for a while but disliked it and worked instead at the battery, on the farm, and at various casual jobs'. When the Depression began, he started working in the Waihi mine 'and found it was to my liking'.<sup>184</sup> 'Being young and footloose', he mined in Western Australia for several years, followed by quarrying in the Auckland area and then being a co-operative contract miner at Waihi.<sup>185</sup> After studying at the Waihi School of Mines he had qualified as a mine manager, quarry manager, and battery superintendent; he would be on its council in 1948.<sup>186</sup> He mined at Waihi for ten years before being offered the Tui job, his previous post being as a shift boss at No. 7 shaft, 'the newest and most high-tech of the Martha's shafts'. But thinking ahead, 'like several of his middle

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<sup>180</sup> J.B. McAra to E.J. Scoble, 21 November 1949, Inspector of Mines, BBDO 18634, A902, M85, ANZ-A; B.J. Dunsheath to C.H. Benney, 28 November 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W; 'Obituary - Bert McAra', *Ohinemuri Regional History Journal*, no. 35 (September 1991), p. 47.

<sup>181</sup> 'Obituary - Bert McAra', p. 47.

<sup>182</sup> J.B. McAra, *Gold Mining at Waihi, 1878-1952* (Waihi, 1978), pp. 270-274.

<sup>183</sup> McAra, *Gold Mining at Waihi*, p. 271.

<sup>184</sup> McAra, *Gold Mining at Waihi*, p. 274.

<sup>185</sup> McAra, *Gold Mining at Waihi*, p. 274; 'Obituary - Bert McAra', p. 47.

<sup>186</sup> McAra, *Gold Mining at Waihi*, p. 274; 'Obituary - Bert McAra', p. 47; Waihi School of Mines, Minute Book of Council Meetings 1946-1951, Waihi School of Mines Papers, MS 315, Library of the Auckland Institute and War Memorial Museum.

management colleagues at the Martha, Bert saw the closure looming for years before it happened. He planned to leave before the closure, thereby avoiding the inevitable rush for mining jobs' when it closed.<sup>187</sup> In his history of Waihi mining he wrote that he left Waihi 'for Western Australia about three years before the Waihi mine closed' in 1952,<sup>188</sup> omitting any mention of his years as the Auckland Smelting Company's manager, for reasons that will become apparent.

When working in a co-operative contract party, he recalled earning 'reasonable money over several years. I found the work challenging and interesting as there was always something different, either about the work or in the nature of the reef, and there was satisfaction in knowing at the end of the day that a good job of work had been done'.<sup>189</sup> An obituary recalled that, as 'a man of integrity he demanded the best from his fellow workers', and as mining inspector 'he expected things to be up to scratch. Because he expected these high standards he wasn't always popular. But he'd always set himself the same standards'.<sup>190</sup> McAra also contemplated wider issues, and after his retirement and writing his excellent history of Waihi mining published a 76-page treatise entitled: *Humanity - Will It Survive?* Describing himself on the title page as 'A Thoughtful Layman', it explained his philosophy of 'Worldwide Humanitarianism'.<sup>191</sup>

In 1985, he recalled being appointed as Dunsheath's mine manager.

When it became apparent in 1949 that the Martha mine would have to close down in the not too distant future I took a job with the Ministry of Works at Paeroa and after learning the office routine there moved on to take charge of a Ministry of Works quarry at Galatea. I didn't care for this work after mining so when two men representing an Auckland group of businessmen called on me at my home in Waihi and asked me to take a job as mine manager to carry out exploration of the old Tui mining area

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<sup>187</sup> Peter McAra, 'Lamb Among Wolves – Bert McAra's time as manager of Auckland Smelting Company's Tui Mine, Te Aroha, 1949-52' (unpublished article, 2014), p. 1.

<sup>188</sup> McAra, *Gold Mining at Waihi*, p. 272.

<sup>189</sup> McAra, *Gold Mining at Waihi*, pp. 274-275: for his description of his mining, see pp. 274-276.

<sup>190</sup> 'Obituary - Bert McAra', p. 47.

<sup>191</sup> J.B. McAra, *Humanity - Will It Survive?* (Waihi, 1982).

which had not been worked since the eighties I welcomed the chance.<sup>192</sup>

According to Dunsheath, McAra approached him 'some time after' the former had first met Burton, with whom he was 'prospecting and preparing the way' for the company,<sup>193</sup> thereby suggesting that McAra had applied to him for the job and not the other way round. Whichever version was correct, after interviewing McAra both Burton and Dunsheath considered he was the best candidate.<sup>194</sup> In February 1950, Dunsheath described him as being 'very enthusiastic'.<sup>195</sup>

### SEEKING ASSISTANCE

In early November 1949, the Waihi School of Mines was asked whether it could provide equipment and materials 'not immediately in use' for the company's laboratory.<sup>196</sup> As the acting director considered this request 'really amounted to establishing a laboratory', he declined it, 'although co-operation towards procuring specific items later was promised'.<sup>197</sup> Late that month, Dunsheath informed Benney that he was 'installing a good assay plant' on seven acres of farmland adjacent to the Tui district that was to be their headquarters. After seeking aid in obtaining two items of machinery, he reported that Beatson had 'strongly recommended' diamond drilling to discover whether there was sufficient ore 'to justify development by a larger Company'. The directors, however, were 'very strongly of the opinion that

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<sup>192</sup> J.B. McAra, 'Recollections of My Association with the Tui Mine, Te Aroha, 1950-1973', unpublished typescript with pencilled emendations (Waihi, 1985), p. 1.

<sup>193</sup> B.J. Dunsheath to R.F. Landreth, 6 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>194</sup> B.J. Dunsheath to R.F. Landreth, 19 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>195</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>196</sup> J.B. McAra (Manager, Auckland Smelting Company) to Waihi School of Mines Council, 7 November 1949, Correspondence 1946-1953, Waihi School of Mines Papers, MS 315, Library of the Auckland Institute and War Memorial Museum.

<sup>197</sup> A.E. Waite (Acting Director) to President and Council, 24 November 1949, Correspondence 1946-1953, Waihi School of Mines Papers, MS 315, Library of the Auckland Institute and War Memorial Museum.

the safest and most satisfactory prospecting method' was to drive a crosscut below several reefs traced on the surface, as 'the contour of the land' was 'favourable in spite of the reef dipping away from us'. The Mines Department's drilling superintendent had warned that their capital 'could dissolve too rapidly in core drilling'. Surface sampling had been 'extremely encouraging', but Beatson's report had turned out to be 'most inaccurate and absolutely valueless'. As constructing a road to the mine would cost at least £600 and they would have to hire an air compressor and drill, he asked whether the department would meet this cost. The road would open up 'the entire area with unlimited possibilities for both Base and Precious Metals' and enable the company to devote all its finances to crosscutting, extending the existing No. 4 level and, if this was 'reasonably successful', commencing a new one about 200 feet lower. Dunsheath also requested a visit from members of the Mines Department and Geological Survey.<sup>198</sup> There was no immediate reply, for Benney wished to obtain Scoble's views, but he promised to support Dunsheath's request to import machinery.<sup>199</sup>

Two weeks later, Dunsheath wrote to William Sullivan, the Minister of Mines, and other ministers in the new National Government, tendering his 'sincere congratulations' and assuring them 'of supporting confidence' and conveying the directors' 'very best wishes for a most successful future' for themselves and their government. He informed that that he had been prospecting 'for a couple of years' and had 'spent a large sum of money' before arranging 'with a number of other friends to join in the venture of Exploration'. Should they obtain 'favourable results', he would float a large company to treat the ore by 'Selective Flotation'. To test the ground, a drive would be put in 500 feet below the reefs traced in the old workings. His company was 'staking at least £15,000 (to £30,000)' in proving the ores, had employed 'fully qualified chemists, a certified Mine Manager and Assayer', and had acquired most of the testing machinery. As its present capital was less than £10,000, it did not wish to spend it all making a road.<sup>200</sup> (Being

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<sup>198</sup> B.J. Dunsheath to C.H. Benney, 28 November 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>199</sup> Memorandum by R.F. Landreth, 30 November 1949; Memorandum by C.H. Benney, 1 December 1949; C.H. Benney to B.J. Dunsheath, 8 December 1949; E.J. Scoble to C.H. Benney, 23 December 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>200</sup> B.J. Dunsheath to William Sullivan, 12 December 1949; identical letters sent to F.W. Doige and E.B. Corbett, 12 December 1949, and K.J. Holyoake, 13 December 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

without one meant a three-hour walk to the mine.)<sup>201</sup> Five days later, Dunsheath complained that ‘our little company’ was spending £150 each month in wages alone without being able to construct a road because Annabell was obstructing ‘everything connected with mining from A to Z’ and the farmer whose land they had to cross refused access because he would have to fence off the road.<sup>202</sup>

Late in December, Scoble reported about the route for this road, possible pollution, and the variable results of his five samples. Two samples taken from adits indicated that, whilst ‘values and reef widths’ were ‘somewhat erratic’, the ‘venture might be classed as a reasonable prospect’. As McAra did not know the results of Beatson’s samplings (why had Dunsheath not shared this information with him?), Scoble suggested that the company be asked to provide a copy of Beatson’s report.

All payable ore above No. 4 tunnel has apparently been worked out, and it is the Company’s intention to construct another tunnel which will be known as No. 5 (elevation 1,950ft), 200ft lower down the hill. The estimated length of this tunnel is 1,000ft and driving north and south on the line of reef will be undertaken on its completion. Two shifts will be worked, and rock drills employed. The men are to live in Te Aroha, which is desirable from a sanitary point of view, and improved access seems justified in consequence.

On condition that the company proved its financial position was sound, for driving No. 5 level would cost ‘considerably more’ than the £7,000 capital he believed had been subscribed, Scoble recommended that £300 on a £ for £ basis be granted towards making the road. This grant should not be used ‘for the purpose of raising further capital’.<sup>203</sup>

A road was bulldozed to the site of the proposed tunnel, now to be 1,200 feet long and 1,650 feet up the mountainside, to intersect the Champion and Ruakaka reefs.<sup>204</sup> Despite Dunsheath’s earlier criticism, during the Christmas holidays he employed Beatson to produce another

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<sup>201</sup> B.J. Dunsheath to Minister of Mines, 3 November 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>202</sup> B.J. Dunsheath to C.H. Benney, 17 December 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>203</sup> E.J. Scoble to C.H. Benney, 23 December 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>204</sup> *AJHR*, 1950, C-2, p. 37.

report; Scoble understood that his surface and underground sampling had produced 'satisfactory' averages of zinc and lead,<sup>205</sup> but neither he nor the department received copies of Beatson's reports.

Dunsheath complained once more in January 1950 that the 'very severe obstacles' created by the council had put the company 'a long way behind', and asked Benney to assist in providing a telephone line to his Remuera house so he could keep in contact with McAra. 'We cannot work at Te Aroha in the bad weather, and we are spending a great deal of money and putting in extreme efforts in order to get the place ready for work, and a drive started'.<sup>206</sup> Benney did assist,<sup>207</sup> but asked for details of the company's finances because £7,000 was insufficient for the proposed tunnel, and requested a copy of Beatson's report.<sup>208</sup> Dunsheath responded with a six-page letter requesting a grant of 'not less than £1,000' of the estimated £1,200 cost of the road. A farmer had allowed 'his paddocks to be crossed as a short-cut during the fine weather' while the contractor made the all-weather road, using part of the old Tui track. After describing in great detail how it was being constructed, he explained why the contract had been let before applying for the grant:

It was not realized that the work would be so big and costly as it has now proved to be. Our men are working against time because it is imperative that the Road be completed before the weather breaks to enable us to carry men (two shifts) and materials throughout the length of the Road during the winter, day and night. If the Road was not completed before the Autumn the whole scheme will be held up till December with a very serious consequent loss of time and money plus the serious deterioration of the work already done. The activities of both Contractor and our men are by no means confined to a forty-hour week.

The company was 'most anxious to avoid consuming our subscribed Capital unnecessarily on Road making' because it wanted to 'devote all

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<sup>205</sup> E.J. Scoble to C.H. Benney, 23 December 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>206</sup> B.J. Dunsheath to C.H. Benney, 25 January 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>207</sup> C.H. Benney to Director-General, Post and Telegraph Department, 31 January 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-A.

<sup>208</sup> C.H. Benney to B.J. Dunsheath, 31 January 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-A.

energies and finance to driving the Cross-Cut' to enable 'large-scale underground prospecting investigations, to thoroughly test the lead-zinc reefs'. Mining plant worth up to £3,000 had been purchased (presumably from Dunsheath Machinery), and the 'first-class Assay Office and Laboratory' would allow them to 'expeditiously deal with the large volume of sampling' anticipated. Dunsheath himself had spent 'well over £2,000, some of which, unfortunately, was wasted in obtaining unreliable technical assistance over a period of two years', presumably a reference to Beatson. Because of 'the contour of the country and imposed restrictions by the Authorities such as tipping debris in the creeks', it had been decided to commence the main crosscut approximately 225 feet below No. 4 level 'and almost vertically below the well-known base metal outcrop'. Instead of wasting money re-opening old drives, they would drive 1,800 feet to cut from six to seven reefs, 'the existence of which we have more or less established on the surface'. Although it was not possible to cut all the reefs, they were confident this crosscut would 'justify an increase of Capital' and the opening up of 'other known reef systems extending beyond the initial interesting area'. As his 'little group' was 'extremely enthusiastic regarding the Te Aroha area', should the department provide financial assistance they would prospect the whole mountain, for they had 'seen so many valuable things' and 'sincerely' believed there was 'a great future for Te Aroha mining of base metals'. He mentioned that Waiorongomai was 'completely deserted and impossible of access due to overgrowth', implying their wish to explore it. They would not waste money on a reduction plant until certain of being able to keep it supplied with ore. Diamond drilling had 'not by any means' been overlooked, 'but we have considered the expense and our present proposal to drive is, in the opinion of our Advisers', names unspecified, 'the scheme most likely to get results with a reasonable expense'. Presumably to indicate that there would not be continual requests for funds, Benney was assured that the managing director of Sheffield Smelting Co Ltd, whom Dunsheath had known for 50 years, had promised that 'when we prove what there is there he can handle our Concentrates or our output or help us with the finance'. He offered to visit Benney in Wellington, possibly accompanied by Burton.<sup>209</sup> He made no reference to

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<sup>209</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

Beatson's report, and Benney noted his 'considerable reluctance' to send this.<sup>210</sup>

Three days later, Dunsheath explained to the Controller of Customs that, having failed to obtain rails in New Zealand, he needed permission to import some from England. To encourage a favourable response, he claimed his company 'certainly' possessed 'large deposits' of lead, zinc, copper, silver, and gold, and was 'taking the entire risk in carrying out an investigation of vital importance to this country's economy. The clarion call to-day is to produce more ourselves'. His 'little Company' had equipped 'a most up-to-date assay office and laboratory' and would have its road completed in about two weeks.<sup>211</sup> Contradicting his reference to gold, assays made in January and February had revealed only miniscule amounts.<sup>212</sup>

Scoble reported that the road would cost over £1,200 because a small bridge was needed. The new drive was lower than originally planned in order to dump spoil away from Tui Creek, thus avoiding further concerns about pollution, and he recommended raising the recommended grant of £300 to £400, equal to £1 for £2.<sup>213</sup> Despite agreeing with Benney that 'we should not be jockeyed into the position of being partners in this enterprise', Landreth considered they should assist the road. He estimated the cost of initial development at over £20,000, beyond the means of this under-capitalised company. Although he considered the area worth prospecting, he wondered why Dunsheath would not show the department Beatson's reputedly optimistic report.<sup>214</sup> Because it was never provided or made public, clearly Beatson, who did not acquire any shares, was more cautious than was claimed. Landreth's recommendation that, if the department refused to assist the road, it should subsidize driving by £1 per foot up to a

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<sup>210</sup> C.H. Benney to E.J. Scoble, 14 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>211</sup> B.J. Dunsheath to Controller of Customs, 9 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>212</sup> Thames School of Mines, Assay Book 1941-1952, entries for 16 January 1950, 21 February 1950, School of Mines Archives, Thames.

<sup>213</sup> E.J. Scoble to C.H. Benney, 27 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>214</sup> R.F. Landreth to C.H. Benney, 9 March 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

maximum of £500 was sent to Sullivan for approval,<sup>215</sup> but he was unimpressed:

If the Coy is considered Under-Capitalised at present, and asks for a Grant to form the access road.

How then can it possibly make a success of prospecting the area.

It seems assistance at this stage may Commit the Dept to further Commitments.

I think it best to hold the application over for 6 months, review then and see if the Coy is making any real progress.<sup>216</sup>

Informed of his decision, Dunsheath expressed 'gratitude' that Sullivan had considered the issue. 'We shall look forward in the next few months, to giving you reports and statistics covering the steps we have taken and the success with which we have met and we trust that you will be able to favourably consider our proposal'.<sup>217</sup>

#### McARA STARTS WORK

By mid-1950, buildings and plant were being erected despite by the road being 'in a very poor state owing to bad weather'.<sup>218</sup> The directors, who made their first official visit in June, were reportedly 'very enthusiastic' about the ore.<sup>219</sup> As soon as McAra was hired, the company 'bought an elegant old house, formerly a doctor's residence, in Longfellow Street, Te Aroha. Bert lived there for the first year or so', according to his recollections in the former stables, returning to his family in Waihi on weekends.<sup>220</sup> 'One of the rooms was set up as a lab, complete with scales, bottles of chemicals, etc'. His son Peter recalled that 'for whatever reason', other employees or consultants

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<sup>215</sup> R.F. Landreth to C.H. Benney, 9 March 1950; C.H. Benney to William Sullivan, 15 March 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>216</sup> Memorandum by William Sullivan, 23 March 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>217</sup> C.H. Benney to B.J. Dunsheath, 29 March 1950; B.J. Dunsheath to C.H. Benney, 31 March 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>218</sup> E.J. Scoble to C.H. Benney, 4 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>219</sup> *Te Aroha News*, 30 June 1950, p. 4.

<sup>220</sup> Peter McAra, p. 1; McAra, 'Recollections', p. 2.

spent time in the house on occasions, and Bert established friendly connections with them. Generally, they were white-collar types, usually from Auckland, by contrast with Bert's local blue-collar upbringing. He seems to have enjoyed their company, even commenting once that he took pleasure in conversing in French with one gentlemanly type who visited occasionally. It was never clear to anyone (other than perhaps Bert) why these men spent time at Te Aroha, or what work they did. The impression at the time was that they acted as minders/flies on the wall while Bert immersed himself in the work. Day by day, Bert led an equipment-laden packhorse, pastured across the road from the house, up the steep mountainside. He surveyed the lease for mineral deposits, reefs, etc, assembled maps, pegged out future roads, and put together plans for a crushing plant, a generator, a compressor for ventilation and powering drills, and a treatment plant for the ore. At the time, flotation seems to have been flavour of the month for base metal extraction. Accordingly, Bert immersed himself in books on flotation technology.<sup>221</sup>

The steep country made prospecting difficult and slow, but he was 'very impressed' when he first examined 'the various shows and outcrops of mineralised quartz':

The old workings were inaccessible owing to collapsed timbers and there was little reliable information as to the nature of the reefs. When all available exposures had been sampled and plans of the area prepared by me, it then became necessary to make a decision as to whether or not to reopen the old workings and embark on an underground prospecting programme in the hope of getting more information as to the value of the deposit and, hopefully, its viability as a mining proposition. Up to this stage there were only three or four men employed, but underground work required machinery and vehicle access and more men, with facilities, tools, roads formation, accommodation, change room etc. The managing director and his technical advisor [unnamed: Burton? Beatson?] visited the area frequently in order to report to his fellow directors in Auckland so that they could make decisions re finance. I carried out careful compass surveys of the two reefs and the various points of interest and prepared suitable plans to show their relevance, and from this information I recommended that a new level, No. 5, be driven to intersect the Champion reef at right-angles about 150 feet below the previously opened No. 4 level, but about five hundred feet or so to the south of it. This was central to both reefs so that after cutting the Champion the

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<sup>221</sup> Peter McAra, pp. 1-2.

crosscut could be turned a little to cut the Ruakaka at right-angles at about 1500ft. This plan was eventually adopted.<sup>222</sup>

He wanted to know whether the reefs 'were any good at that depth. I always contended that if they weren't any good at that depth there was no good bothering about it at all. You'd never make a mine because you must have the depth to make a mine'.<sup>223</sup>

The road, designed for four-wheel drive vehicles, had a gradient of one in four in places. 'Only the worst portions of the road were metalled at first and later rock from the excavation of the No. 5 crosscut adit was back-loaded from the mine on to the road, the gradient being too steep to haul metal uphill'.<sup>224</sup>

The 1500 foot long crosscut in hard andesite rock required heavy drilling equipment including an air compressor and a party of four skilled miners working on contract with support personnel, a fitter, tool-sharpener, etc, general supplies and a change-room with hot and cold showers. This meant installing an air compressor driven by a diesel engine and a water supply. There was no flat ground anywhere near the mine so a spur at the junction of the No. 4 and No. 5 roads, about a hundred metres from No. 5 portal, had to be levelled by bulldozing and explosives for a building site. At the adit portal a hopper, to receive the rock from the tunnel face and discharge it into trucks, and a ventilating fan and explosives magazines had to be installed.<sup>225</sup>

Diesel compressors were required because there was no electricity.<sup>226</sup> A party of Waihi miners did the driving, which commenced in July.<sup>227</sup> They experienced 'considerable difficulties' in the 'very hard ground' with 'unsuitable and second-hand machinery';<sup>228</sup> provided by Dunsheath Machinery? Four men in two shifts drove the tunnel and there was 'one man attending the machinery and one man on transport'. No more could be

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<sup>222</sup> McAra, 'Recollections', p. 2.

<sup>223</sup> Interview with J.B.McAra, 4 August 1985, at Waihi, p. 11 of transcript.

<sup>224</sup> McAra, 'Recollections', p. 3.

<sup>225</sup> McAra, 'Recollections', pp. 3-4.

<sup>226</sup> Interview with J.B. McAra, 4 August 1985, p. 12 of transcript.

<sup>227</sup> McAra, 'Recollections', p. 4; B.J. Dunsheath to C.H. Benney, 11 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>228</sup> McAra, 'Recollections', p. 4.

profitably employed until the reef was cut, when it would be driven on to determine its extent and value.<sup>229</sup>

### INCREASING THE CAPITAL

To encourage the purchase of shares, a broadsheet containing 17 photographs was published in 1950 showing the crushing, grinding, and weighing room, the office, the store, and the drawing office, along with the road and two vehicles. The portals of No. 4 and No. 5 levels were shown, plus a bulldozer preparing the site for the compressor engine room, engineers' shop, smithy, change room, and 'crib'. This broadsheet explained that modern techniques in prospecting and assaying were being used and that once the geology was understood a plant would be erected to treat 'substantial bodies' of sulphide ores containing lead, copper, zinc, gold, and silver.<sup>230</sup> One or more brokers sold shares, and £980 was paid by March 1950 as 'Commission on Shares sold'. During the following year, commission of £25 on shares sold was included amongst the 'Overhead Charges', but in future years 'brokerage' was not itemized, being combined with a variety of other costs as overhead charges.<sup>231</sup>

On 18 November 1949, 31 new shareholders had joined. The largest holdings were ten of 100 shares; four were of 25, and the rest were of 50. Clearly a special effort had been made to attract support in Northland, for 12 were residents of Dargaville, five of Kaikohe, four of Kawakawa, two of Ruawai, and one each of Mangawhere, Matakohe, Russell, and Moerewa, in addition to four in Auckland. On 28 November, allotments were made to 17 new shareholders in parcels of 100, 50, and 25 shares. In addition to three Aucklanders, there were five residents of Hamilton, one of Te Awamutu, seven of Matamata, and two of Otorohanga. Five shareholders joined on 16 December, one from Helensville and four from Auckland. Shares were allotted to four Aucklanders on 24 February 1950, 100 each to the wife, son, and daughter of Impey, and the largest of all the new shareholdings, 250, to a company manager. The occupations were similar to those earlier noted and none revealed a mining background; there were now 13 managers of various types and four directors, with almost all the remainder being skilled

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<sup>229</sup> Interview with J.B.McAra, 4 August 1985, pp. 12-13 of transcript.

<sup>230</sup> Auckland Smelting Company Ltd., *Base Metals Mine at Te Aroha* (Te Aroha, 1950), broadsheet in J.B. McAra Papers, Waihi.

<sup>231</sup> Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

workers, probably self-employed in most cases, and small businessmen, including one business woman. Only three other women had shareholdings. By the beginning of March, 9,775 shares had been allotted.<sup>232</sup>

The secretary had commented in November 1949 that 'the capital would have to be increased as it was not nearly big enough'.<sup>233</sup> The following June, it was doubled to £20,000, and by the end of the following month another 1,250 shares had been allotted to seven men, all of Auckland except for a Matamata baker and two Te Aroha residents: Nicholas Quirk,<sup>234</sup> licensee of the Hot Springs Hotel, acquired 500 shares, and Henry William Dickens Skidmore, a confectioner who would become mayor in 1959,<sup>235</sup> obtained 200.<sup>236</sup> Another 250 were allotted, to a Rotorua fish merchant, by 24 October.<sup>237</sup> Another 700 were allotted by 11 December, to seven Aucklanders.<sup>238</sup> A Christchurch sharebroker informed the Mines Department in September that Dunsheath had sought his assistance in getting shareholders,<sup>239</sup> but, if he agreed to help, he was unsuccessful. Existing shareholders acquired increased holdings in transactions that were not recorded in the records submitted to the registrar; for example, Impey, the largest shareholder in mid-1950, was 'very enthusiastic' after visiting the mine in August and trebled his investment.<sup>240</sup>

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<sup>232</sup> Auckland Smelting Company, Statutory Report, 3 March 1950, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>233</sup> G.A. Buttle and Co. to Gilchrist Sons and Burns, 14 November 1949, Te Aroha Borough Council, A/26/6/1, Matamata-Piako District Council Archives, Te Aroha.

<sup>234</sup> See *Bay of Plenty Times*, Licensing Committee, 5 September 1919, p. 4, advertisement, 19 February 1920, p. 1; advertisement, *Auckland Star*, 3 May 1924, p. 9; Te Aroha Correspondent, *New Zealand Herald*, 19 August 1933, p. 13.

<sup>235</sup> C. Kingsley-Smith, *This is Te Aroha* (Te Aroha, 1980), p. 100.

<sup>236</sup> Auckland Smelting Company, Return of Allotments to 31 July 1950, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>237</sup> Auckland Smelting Company, Return of Allotments to 24 October 1950, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>238</sup> Auckland Smelting Company, Return of Allotments to 11 December 1950, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>239</sup> A.E. Lyttle to C.H. Benney, 28 September 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>240</sup> R.F. Landreth to C.H. Benney 16 August 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

## DEVELOPMENTS IN THE SECOND HALF OF 1950

In early July, Dunsheath was 'pleased to advise' Benney of 'rapid strides'. The 2 1/4 mile road was completed and metalled, with further metal being spread in parts 'showing signs of wear'. An air compressor and a diesel engine were in place along with other machines and buildings, and the new crosscut had been started. He anticipated visiting him to explain the work and to show him photographs and figures. 'Each night, or early morning, after 6 am', he was 'in telephonic communication' with either McAra or Burton as there were 'many things to be decided upon daily, requisitions to be given and authorities to be obtained'. Having lost his telephone connection through purchasing 'a little larger House', he requested assistance in forcing the Post and Telegraph Department to reinstall a telephone promptly. He apologized for troubling him, 'but the work I am doing I sincerely claim is of National importance when we are completely dependent upon imports of Lead, Zinc, Copper and in view of the ominous war clouds in the North Pacific',<sup>241</sup> a reference to Korea. Benney immediately did as requested,<sup>242</sup> prompting gratitude along with a lament that it was 'likely to be some time yet' before the telephone was reconnected.

I am discussing my business with Te Aroha now seven days a week and sometimes twice in one day, and these conversations are held either soon after 6 a.m. or late in the evening which precludes the possibility of using either an Exchange Telephone the nearest of which is four miles from me, or my Office which is about the same distance.

I am putting my whole time into the Auckland Smelting Company's Mine and I realize that with the gloomy outlook in the International Situation we, in this Country, may have the uncomfortable experience of being starved for Lead, and other Metals in case of a Third World War. Quite obviously that has already commenced, and we cannot forecast how extensively the fighting will spread. Almost all the people the Writer speaks to are apathetic and do not really think there will be any kind of an uncomfortable War but such stupid optimism will get us nowhere. In furtherance of my most enthusiastic attempts to quickly find extensive and valuable deposits easily accessible, I have, during

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<sup>241</sup> B.J. Dunsheath to C.H. Benney, 11 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>242</sup> C.H. Benney to Director General, Post and Telegraph Department, 13 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

the past seven days, considerably speeded up the work at Te Aroha. The Cross-Cut Drive has now been started and arrangements made to rush the work as fast as ever possible. On Wednesday the 19th instant, the Face was approximately 30 feet in and we now anticipate to advance with the present Driller and his Mate, at the rate of 4 feet or more, per day. If we could receive permission from the Mines Department to put on two Shifts it would necessitate our employing more than the number (namely 6) of men allowed by the Warden.

More drillers would be employed 'according to the attractiveness' of the reefs. Some men were 'continuing with vigorous prospecting on Saturdays and Sundays, and we are gradually tracing most promising Mineral Reefs which are being approximately surveyed and placed on paper'. All his staff 'and others connected with our Company' were 'most enthusiastic', and wanted to prospect most of the mountain within a radius of two miles from the trig station and receive preference in mining this area. If this right was granted, 'the privilege will be by no means abused but will be prosecuted with the utmost enthusiasm'. He had secured an option over approximately 80 acres of freehold land 'with a view of taking the fullest economic advantage as and when we discover payable Ore in sufficient quantity'. He was 'very interested' in Littlejohn's recent visit to Benney, and 'seriously and emphatically' asked 'with all sincerity and respectfully' for financial assistance, not only because of the cost of the road but because expenses would be 'fairly heavy' when the laboratory started 'in charge of a good Chemist'. He would 'greatly appreciate' further help and noted that it was 'unnecessary to emphasize the relationship between Atomic Defence and the Metal Lead'. With Benney's backing the chances were 'heavily in favour' of their being able to produce 'products of enormous economic assistance' to the country. He apologized 'for inflicting lengthy letters upon you but feeling the necessity of explaining to you what is happening and what are our difficulties'.<sup>243</sup>

In providing the Post and Telegraph Department's response, Benney explained he could do nothing further about his request. Nor could he comment on the warden restricting his workforce to six men, this decision not being within the department's jurisdiction, though he recommended that this restriction could be modified when the license was renewed. Nor

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<sup>243</sup> B.J. Dunsheath to C.H. Benney, 21 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

would any financial assistance be considered until the six months had passed. Dunsheath's desire for a prospecting license for up-to-8,000 acres could not be granted 'without statutory conditions as to employment of labour with which, considering the limited financial resources available, your company would find it difficult to comply'. Benney had suggested to Littlejohn that the minister could proclaim the proposed prospecting area under the Statutes Amendment Act of 1940, but approval would be refused if 'purely for speculation purposes with no intention to do serious prospecting'. As he had told Littlejohn, he intended 'to visit the area at an early date' to discuss such proposals.<sup>244</sup>

In early August, Littlejohn called to see Benney; as he was absent, he discussed developments with Landreth and encouraged a visit (and requested the return of a small sample provided at their earlier meeting). Their capital was 'insufficient to carry out the development programme, a minimum would be 2,000ft of cross-cutting and driving', but there was 'some talk of mining sulphides and shipping them overseas in crude form to finance development from the sale'. To Landreth this method of meeting costs was 'obvious'.<sup>245</sup>

After Benney and Scoble visited on 29 August, Dunsheath wrote thanking the former because 'we were able to give you evidence of some of our more obvious activities'. The company was making 'a most serious attempt at large scale prospecting within an important Area' that had been neglected for 40 years, during which time new methods had been devised for treating the 'complex materials'. Financial assistance was sought 'to enable us to conserve every penny of our finance for underground Work'. Over £1,500 had been spent on the road; as it opened up 'a very important Mining Field the value of which' could 'only be ascertained by persistent activities by enthusiastic and sincere modern Prospectors', he 'respectfully' asked for a grant of £1,000 towards it. As driving was costing £5 per foot, he requested 'a substantial Subsidy for the driving of the 800 feet in our initial programme'. He claimed to be 'unconcerned' about whether he made 'any money at all out of this Scheme to which he is giving every possible support in time, thought and finance but he cannot possibly do all that is required in the direction of finance'. Once again Benney was reminded that

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<sup>244</sup> C.H. Benney to B.J. Dunsheath, 27 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>245</sup> R.F. Landreth to C.H. Benney, 16 August 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

discovering payable base metal mines was 'of the utmost National importance': 'We sincerely hope that in view of the urgency and economic importance of what we are trying to find, you will be able to help us with both the Road and the Drive'. Five 'self-explanatory' plans accompanied his letter.<sup>246</sup>

After their meeting, Benney noted that the ground's importance lay in Adams' 1929 report of 'a continuous band of lead-zinc ore averaging 2ft thick in contrast to other deposits in the Hauraki Gold Fields where the sulphides occur in bunches irregularly distributed through the lode'. Although no other geologist had noted this ore, the results Adams claimed from his sampling made the mine 'a most attractive prospect'. Scoble reported that Beatson had checked these results and 'confirmed this in conversation here before he left for Tasmania'. Both Benney and Scoble had 'repeatedly' requested Beatson's maps and reports but Dunsheath would 'not release them giving as reason' that they were 'unreliable'.

I cannot understand the position but apparently the workings whether inspected by Beatson or not are now fallen in and inaccessible. No Inspector of Mines and no geologist has inspected these drives.

To my mind the exposures of ore reported are crucial to the whole enterprise and development work should have commenced there even though it involved opening up old workings.

However company are now crosscutting 250 ft below old workings and it is estimated that 750ft of cross cutting required to intersect the Champion reef (i e the reef worked in upper levels). Another reef, the Ruakaka, should be cut between 1400 & 1600ft. This where sampled on surface by Mr Scoble has shown content of base metals. It is possible that other lodes should be intersected, particularly a new one recently located.

However 750ft are required to cut the Champion & a minimum of 250ft driving on the reef is required, say 1000ft. If company cannot finance this programme they should never have started. My original estimate was that £20,000 would be required to prospect this occurrence & there seems no reason to alter it.

Basic to intelligent prospecting is a large-scale plan showing all outcrops, workings, samples, assay values & contours. If this has not been prepared [this] must be regarded as ill considered.

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<sup>246</sup> B.J. Dunsheath to C.H. Benney, 29 August 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

Concerning Dunsheath's desire for a much large prospecting area, Benney 'would like to see [the] company thoroughly prospect the claim they now have before tying up surrounding country'.<sup>247</sup> He informed Sullivan that his visit with Scoble had revealed that it had 'made a courageous start' by forming the road and buying machinery.

Does the reef exist at depth, or is it a "pipe" thinning out at depth from the outcrop on the surface? Do values increase at depth if the reef lives? These are the vital issues which, as far as I can see, can only be determined by testing. If the reefing system with satisfactory values does live at depth and quantity can be established, it would be a most valuable national discovery.

It seemed to be 'a genuine mining prospect and so far the money has been wisely spent in a workmanlike manner'. The company had been advised to make written application for financial assistance for the road.<sup>248</sup>

Shortly afterwards, Scoble reported that two men were driving ten feet each week. They were being paid £2 per day, but when the work was let on contract they would receive from £2 10s to £3, and there would be additional costs for insurance and holiday pay, making the cost of the level £4,000, as Dunsheath had estimated. A proper survey was needed, and the values of McAra's samples should be obtained before granting any assistance.<sup>249</sup>

In response to a sharebroker's query, Sullivan stated that the company had a 'legitimate mining venture' but that, like all prospecting, the outcome was 'highly speculative' and the yield could not be determined until development was completed.<sup>250</sup> Four months later, Benney gave his confidential opinion of the prospects to a delegation from the council: there was 'a 1000 to 1 chance against it being a success, but until that was

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<sup>247</sup> Memorandum by C.H. Benney, n.d. [beginning of September 1950], Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W [punctuation added].

<sup>248</sup> C.H. Benney to William Sullivan, 5 September 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>249</sup> E.J. Scoble to C.H. Benney, 11 September 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>250</sup> William Sullivan to A.E. Lyttle, 9 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

proved' the company would be left to test for payable quantities of lead.<sup>251</sup> But when inviting William Goosman, the Minister of Works, to visit the mine, which was in his electorate, Impey claimed that Benney had been 'very impressed' with their progress. To encourage Goosman to support their application for a subsidy, 'literature and photos of work carried out' were enclosed'.<sup>252</sup>

In response to another request for information, in early October Dunsheath sent details of assays, including some done by Beatson, but 'a number' of Beatson's other reports were not sent because they were 'very lengthy' and he considered he had provided sufficient details. (Earlier, he had claimed that one of Beatson's reports was 'most inaccurate and absolutely valueless'.)<sup>253</sup> The assays revealed a minute amount of gold in almost all the samples. Dunsheath claimed that, 'owing to the leached, broken and inaccessible nature of surface exposures, extensive surface sampling is considered to be redundant, particularly as a means of determining Base Metal content. Unleached surface exposures of Base Metal Sulphides have been sampled'. When visiting, a representative of the largest importer of lead from Broken Hill had 'tried to give us the impression that even if we have large bodies of economic Ore, the Broken Hill people will by one means or another, prevent our developing it'.<sup>254</sup> No more was heard of this alleged threat.

After reading this letter, Scoble denied that extensive surface prospecting was redundant. 'Invaluable information' could 'always be obtained by systematic sampling wherever undertaken', and 'surface exposures' supplied 'the same information as could be obtained from the driving of levels, etc'. Sampling should have been done 'at regular intervals along the line of reef irrespective of its appearance or width'. The assays were 'erratic', some high ones being 'largely offset by others which give

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<sup>251</sup> Te Aroha Town Clerk's Office, 'Confidential Report of Delegation to Wellington to meet Members of the Government in Connection with Water Rights over the Waiorongomai and Pohomihi Streams', 9 February 1951, Health Department, YCBE 1990/524a, ANZ-A.

<sup>252</sup> T.R. Impey to W.S. Goosman (Minister of Works), 3 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>253</sup> B.J. Dunsheath to C.H. Benney, 28 November 1949, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>254</sup> B.J. Dunsheath to C.H. Benney, 6 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

negligible results'.<sup>255</sup> Landreth agreed there should have been a 'thorough survey of outcrops and old workings with sampling of all exposures' at the start. However, as 'useful information should be obtained from the driving of the crosscut', which could be 'classed as reasonable prospecting work worthy of some encouragement', he suggested granting £1,000. Being concerned about whether the company had 'sufficient finance to complete its programme even with the £1,000 grant', he recommended that, instead of paying £1 5s per foot for all 800 feet, £2 10s be provided for every foot over 400 feet and up to 800. 'This would offer some incentive to the company to drive the full 800 feet and assure that the grant' would achieve 'a useful purpose'.<sup>256</sup> Sullivan accepted his recommendation.<sup>257</sup> Dunsheath was informed that the grant was 'a free one with no provision for repayment'.<sup>258</sup> It was gratefully received, Dunsheath responding that he would 'almost simultaneously' open up No. 4 to test the values, along with another drive to the north and at the same altitude. Yet again he asked for assistance to meet the cost of the road,<sup>259</sup> but Sullivan declined, preferring to subsidize 'work ahead', thereby providing an incentive, rather than 'past work'. He expressed regret 'that at this stage of your development programme' he could 'see no reason to increase the measure of assistance beyond £1,000', particularly as the grant was 'free and unsecured and not recoverable from future profits'.<sup>260</sup>

By the beginning of November, No. 5 drive was in 130 feet.<sup>261</sup> At the end of the year, the warden was informed that the company had spent

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<sup>255</sup> E.J. Scoble to C.H. Benney, 13 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>256</sup> R.F. Landreth to C.H. Benney, 17 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>257</sup> Memoranda by R.F. Landreth and C.H. Benney, 17 October 1950; C.H. Benney to William Sullivan, 18 October 1950; memorandum by William Sullivan, 20 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>258</sup> William Sullivan to B.J. Dunsheath, 27 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>259</sup> B.J. Dunsheath to William Sullivan, 3 November 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>260</sup> William Sullivan to B.J. Dunsheath, 16 November 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>261</sup> E.J. Scoble to William Sullivan, 2 November 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

£11,527 14s 5d during the term of its prospecting licenses, and was given details of all the machinery acquired. The drive was progressing 'steadily', the drillers working two shifts daily. 'Prospecting on the surface has continued steadily throughout the whole term of the licenses',<sup>262</sup> an exaggeration.

By January, No. 5 had been driven 200 feet, with six men at work, three in the tunnel.<sup>263</sup> Cornes, who had very briefly prospected at Tui during his summer holidays in 1929-1930,<sup>264</sup> at Dunsheath's request visited over six days in January, and informed the Dominion Analyst, who had been shown an interesting geological sample and had requested more details plus another sample,<sup>265</sup> that McAra had drawn 'scale-maps and sections' from 'careful field surveys with transit instruments'. The level was 'a "do or die" effort to cross-cut the Champion system' and prove the value of the reefs, and he considered that 'the clear definition of outcrops in the field, and their continuity as shown by mapping', provided 'confidence that the venture should succeed'. Furthermore, 'no expense, consistent with good management, has been spared to ensure both efficiency and speed', the greatest delaying factor (and cost) being 'the scarcity of good miners'.<sup>266</sup> (As noted, Cornes was not sufficiently impressed to become a shareholder.)<sup>267</sup>

## INTEREST IN WAIORONGOMAI

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<sup>262</sup> Auckland Smelting Company Limited, 'Particulars of Work Done and Money Expended in Prosecuting Prospecting Operations under Prospecting Licenses Nos. 5082, 5083 and 5084 during the year ended 23rd November 1950', Te Aroha Warden's Court, Mining Applications 1950, 11/1950, BCDG 11289/4a, ANZ-A.

<sup>263</sup> E.J. Scoble to C.H. Benney, 9 January 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>264</sup> Te Aroha Warden's Court, Mining Applications 1930, 3/1930, BCDG 11289/2a, ANZ-A; Mining Registrar, Te Aroha, to Manager, Bank of New Zealand, Thames, 18 February 1930, Thames Branch, Loose Sheets from Gold Register, Bank of New Zealand Archives, Wellington.

<sup>265</sup> F.T.J. Grigg (Dominion Analyst) to C.H. Benney, 14 December 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>266</sup> J.J.S. Cornes to F.J.T. Grigg, 30 January 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>267</sup> Auckland Smelting Company, Returns of Allotments, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

On 21 January 1951, Malcolm Hardy,<sup>268</sup> another optimist who sufficiently tempered his enthusiasm to refrain from becoming a shareholder, showed McAra and Burton his Waiorongomai leases. That evening, Burton told Dunsheath that ‘Hardy’s is a very big thing so Mac and I are taking a few days to go into the matter before reporting to you’. They had been ‘much impressed with what we saw. We had no idea there were so many big reefs. Of course, we had no time to do any underground inspecting though we saw large quantities of good looking ore at various levels. There is no doubt it is a very big thing with immense possibilities’.<sup>269</sup> Hardy had explained that McLean’s level<sup>270</sup> provided ready access, although a new road would be needed between the tramline and the portal, access to which was ‘rather primitive’, McAra noted. After this brief inspection and discussion with Hardy, McAra considered ‘the property a most interesting one and worthy of further examination to determine as far as possible the quantity and grade of ore available’.<sup>271</sup> Burton believed there was ‘a great possibility of opening up a large low grade gold-silver mine’, and, like McAra, saw much evidence of base metals. He recommended an investigation lasting at least six months by a mining engineer, assisted by four men who would clean out the drives and widen the upper track, at an estimated cost of £4,000.<sup>272</sup> In May, the company bought Hardy’s interests.<sup>273</sup>

#### NEEDING MORE CAPITAL AND MORE SUBSIDIES

The company attempted to avoid paying what it considered were unnecessary expenses. Having failed to meet three payments for chlorinating the town’s water supply and owing the council £191 7s 9d,

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<sup>268</sup> See paper on his life.

<sup>269</sup> W.H. Burton to B.J. Dunsheath, 21 January 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>270</sup> See paper on Hardy’s Mines.

<sup>271</sup> J.B. McAra, ‘Impressions gathered as a result of a trip with Messrs. Burton and Hardy to Hardy’s Mines, Waiorongomai on 21/1/51’, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>272</sup> Report by W.H. Burton, Supervisor, 22 January 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>273</sup> R.F. Landreth to C.H. Benney, 10 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

access to its mine was refused until payment was made.<sup>274</sup> To meet such costs, more shares were sold. The annual return to 31 December 1950 reported that 11,700 shares of the 20,000 had been issued, and calls had raised £11,637 10s; unpaid calls totalled £62 10s, and 375 shares had been forfeited for non-payment.<sup>275</sup> An Auckland warehouseman and a married woman living at Te Aroha were the first to acquire shares, 100 each, in the first two months of 1951.<sup>276</sup> By 10 April, another 600 shares had been sold to four Aucklanders,<sup>277</sup> and 700 were allotted on 8 May, 500 of them to a Wellingtonian and the remainder to two Aucklanders. At the same time, 5,000 paid up shares were allocated to Dunsheath under the agreement whereby he had transferred his properties to the company.<sup>278</sup> In June, another 1,450 were allotted, four of the new shareholders living in Auckland, one in Feilding, one in Awakino, and five in Whanganui.<sup>279</sup>

In February 1951, Benney discussed the company with Eric Henry Halstead, the National Party's Member of Parliament for Tamaki since November 1949, who had become the company's auditor in that year.<sup>280</sup> Littlejohn followed up this meeting by informing Benney that their broker was having difficulty obtaining the extra capital of £10,000. To strengthen his request for more assistance, he provided details of payments to 12

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<sup>274</sup> Te Aroha Borough Council, Minutes of Meeting of Works Committee of 31 October 1950, Minutes of Meetings 1947-1950, p. 630, Matamata-Piako District Council Archives, Te Aroha.

<sup>275</sup> Auckland Smelting Company, Annual Return, 31 December 1950, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>276</sup> Auckland Smelting Company, Return of Allotments to 20 February 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>277</sup> Auckland Smelting Company, Return of Allotments to 10 April 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>278</sup> Auckland Smelting Company, Return of Allotments to 8 May 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>279</sup> Auckland Smelting Company, Return of Allotments to 26 June 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>280</sup> J.O. Wilson, *New Zealand Parliamentary Record* (Wellington, 1985), p. 202; Auckland Smelting Company, Statutory Report of 6 March 1950; Balance Sheet as at 31 March 1950, audited on 21 May 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A; Auckland Smelting Company, lists of creditors as at 31 March 1953, 1 July 1953, appended to T.L. Gick to C.H. Benney, 2 July 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

February. Exclusive of wages, buildings had cost £1,100, the road £1,172, and driving No. 5 level £1,200. Plant had cost £1,600, rails £880, a truck £462, piping £271, explosives £191, and wages amounted to £3,713. This totalled £10,855; in addition, £2,507 was owed on the plant. The extra funds were required immediately because the drive was in only 300 feet and the subsidy would not be provided until it reached 400 feet, which had 'got us on the spot for the moment'. The company's finances were 'cramped' because it had to put metal on the road to make it an all-weather one. He requested either paying the subsidy before 400 feet had been driven or granting £1,172 for making the road. If this aid was given, their broker was 'confident' that the extra capital could be raised.<sup>281</sup> Landreth commented that the company, being under-capitalised, was 'running true to type in making further demands upon the Government for assistance to keep going'. He suggested that £2 per foot be paid for driving 500 feet, commencing once the tunnel was 300 feet long, and, because the company was doing 'useful work', the department should reconsider granting assistance for the road.<sup>282</sup> Benney agreed their money was being spent wisely on a genuine venture, and recommended the subsidy be varied as Landreth suggested, plus a grant of £500 for the road; Sullivan concurred.<sup>283</sup> The company was grateful, and asked Benney to 'expedite the payment'.<sup>284</sup> For the year ending 31 March, subsidies were paid of £500 towards the road and £120 towards the crosscut.<sup>285</sup> Driving had been slow with only one shift, but now would be speeded up by employing another two men.<sup>286</sup>

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<sup>281</sup> T.S. Littlejohn to C.H. Benney, 20 February 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>282</sup> R.F. Landreth to C.H. Benney, 1 March 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>283</sup> C.H. Benney to William Sullivan, 1 March 1951; Memorandum by William Sullivan, 6 March 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>284</sup> T.L. Gick to C.H. Benney, 16 March 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>285</sup> Auckland Smelting Company, Mine Development Account for the year ending 31 March 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>286</sup> E.J. Scoble to C.H. Benney, 1 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

To raise more capital, the company sought the assistance of Sir James Fletcher, of Fletcher Holdings Ltd,<sup>287</sup> who had invested in goldmining from at least 1932.<sup>288</sup> Fletcher wanted Dunsheath to discuss the planned creation of a larger company with Benney, ‘whose approval must be obtained’ before he would assist. Being unable to meet with Benney, Dunsheath discussed the issue with Landreth in early May, who assured him there was no objection to a larger company, for the department’s ‘main criticism has been that of under-capitalisation’.<sup>289</sup> According to Dunsheath, Landreth ‘was quite sure’ that Benney would approve forming a larger company and was willing to give his ‘utmost support to get the Mine placed on a sound commercial footing’.<sup>290</sup>

Dunsheath gave Landreth a copy of an eight-page ‘cyclostyled information sheet’ produced to tempt investors. After explaining that the ‘primitive miners’ of the past had been unable to treat sulphide ores, a problem now overcome, the leaflet made several dramatic but unsupported statements:

OVER THE PAST FEW YEARS THE TE AROHA MINING RESERVE has created considerable interest of English, Continental, American and Australian Companies. Mr J[ohn Howes Gripper] Banks,<sup>291</sup> Attorney for the Martha Gold Mining Company Ltd, Waihi, has stated to many people that he received instructions from London to secure the Te Aroha Mining Area. When Mr Banks gave instructions to carry out the order from London he was surprised to discover that the Area had already been applied for by and granted to The Auckland Smelting Co. Ltd. The fact of London’s interest along with the largest Gold Mining Company in New Zealand is very significant. Certain sound Mining Geologists have stated that Te Aroha is the “Gold Field of the Future.” This is more than likely now it is known beyond doubt that the Refractory or Complex Ore located there exists in massive formation.

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<sup>287</sup> See Selwyn James Parker, ‘James Fletcher’, *The Dictionary of New Zealand Biography: vol. 4: 1921-1940* (Auckland, 1998), pp. 178-179; Neil Robinson, *James Fletcher: Builder* (London, 1970).

<sup>288</sup> *Observer*, 18 August 1932, p. 13.

<sup>289</sup> R.F. Landreth to C.H. Benney, 10 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>290</sup> R.F. Landreth to C.H. Benney, 10 May 1951; B.J. Dunsheath to C.H. Benney, 17 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>291</sup> See J.B. McAra, *Gold Mining at Waihi 1878-1952* (Waihi, rev. ed., 1988), pp. 166, 305.

(In the absence of the company's records, it is impossible to disprove the claim that European, Australian, and American companies were interested, but no such interest was reported to the Mines Department or the press. There was no evidence that the Martha Company wished to acquire the area; despite plenty of vacant ground being available in the 'Te Aroha Mining Area', it made no move to secure any.)

Once the new level struck the reef, the company would be able to make 'accurate Assays and Analyses' that would 'prove to the satisfaction of prospective Investors that a modern treatment plant' was 'fully justified and capable of handling 100 tons or more per day for say a minimum of 20 years'. Its ground contained 'Drives, Shafts and Stopes which were put in forty or more years ago for the obviously successful extraction of "free" gold'. Having thus referred to late nineteenth century workings which, as was not noted, had almost all fallen in, and which had not successfully extracted gold, free or otherwise,<sup>292</sup> the leaflet emphasized that the sulphide ore remaining was of great value:

DURING THE PAST TWO YEARS we have had this Area prospected and surveyed by Miners, Geologists, Mining Engineers, [and] Prospectors, every one of whom has expressed himself as being absolutely astounded at what they have seen and most enthusiastic to get the growth removed from the surface and do all that is necessary to open up the Area in a businesslike way.

IF THE TE AROHA MINING AREA happened to be located in Canada or the United States it would have been opened up, proved and a Treatment Plant installed twenty years ago.

MR SCOBLE THE GOVERNMENT INSPECTOR OF MINES, Waihi, periodically visits our Area and has reported persistently most favourably upon the great prospects of success. Mr Benney the Under-Secretary of Mines recently made a special trip to investigate and he reported most favourably upon the Area and placed on record his utmost surprise at the enormous amount of work we had accomplished in a period of twelve months without soliciting any financial or other assistance from the Government.

(Readers were misled by its thus exaggerating the number of people who had visited and their enthusiasm and by stating that government assistance had neither been asked for nor received, for £500 had been paid

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<sup>292</sup> See paper on the Tui district.

for the road and £120 for driving, and larger amounts had been requested.) The leaflet stated that the Minister of Mines, apparently spontaneously, had ‘decided to make a cash grant to the Company and the amount of which grant runs well into four figures’. (To be precise, it was £1,500.) There was ‘no question whatever of repayment by us - it is a gift’.

It then gave alarmist details of a world shortage of metals. Its zinc deposits were ‘obviously very large’, and some of the ore contained 70 per cent of pure lead, of which it anticipated a shortage in New Zealand.<sup>293</sup> (Appended assays revealed that only once was the amount of lead as high as 69.8 per cent.)<sup>294</sup> In addition, the company would be able to meet the country’s silver needs once mining ceased at Waihi.

IN PLEASANT TIMES of peace New Zealand’s economy could be revolutionised by the development of Te Aroha alone. However, with the at present International Situation promising a Third World War, New Zealand has a very fair chance of actually producing within the Dominion these several essential Metals named above.

IT HAS BEEN SUGGESTED that our Area and the large surrounding Area be “proclaimed” under Section 34 of the Statute Mining Act 1940, and we understand that this is to be gazetted in the near future. This will place the Company in a remarkably favourable position due to the work we have done and are doing at present, plus our programme for the next year.<sup>295</sup>

(The Act meant was the Statutes Amendment Act, as had been suggested to Dunsheath by Benney in the previous year;<sup>296</sup> there was no Mining Act in 1940.)

OUR PRESENT OBJECTS as stated above are to prove the value of the Area in blocks as we go along. When a pre-determined body of Ore of a certain minimum value is in sight it is intended that this present Exploration Company shall form a substantial

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<sup>293</sup> Auckland Smelting Company Limited, ‘Te Aroha Mine 1951’, typescript, n.d. [May 1951], pp. 1-2, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>294</sup> Auckland Smelting Company Limited, ‘Te Aroha Mine 1951’, typescript, n.d. [May 1951], pp. 3-5, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>295</sup> Auckland Smelting Company Limited, ‘Te Aroha Mine 1951’, typescript, n.d. [May 1951], p. 2, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>296</sup> C.H. Benney to B.J. Dunsheath, 27 July 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

Company to build the Treatment Plant and carry out the mining, milling and refining, etc. The present Company will arrange its own terms for the proposed new Company and take either Cash or shares or both.<sup>297</sup>

(The fact that its name proclaimed it to be a smelting company, that Bassett, who managed Dunsheath's Auckland factory, claimed 'considerable experience in smelting matters',<sup>298</sup> and that Dunsheath had been promised help with treatment by a long-time associate who was managing director of the Sheffield Smelting Company,<sup>299</sup> confirmed that Dunsheath preferred to smelt the ore himself rather than send it overseas.)

After listing the equipment and machinery owned and providing details of work done to date, two pages were devoted to reproducing some of the 'very large number' of assays 'taken at random from our Assay Book', unintentionally revealing highly erratic results. (They were not random: apart from two samples taken by McAra, all the other assays were made by Beatson in 1949,<sup>300</sup> and all 28 had been reported to the Mines Department in October 1950.)<sup>301</sup> It was stated that in January 1951 'we had an official visit to our Mine by a Senior Officer of the Dominion Laboratory', meaning Cornes, 'who was sent to give a report upon the Area and the work we were doing and we have received a letter from the Department stating that they have reported most favourably to the Under-Secretary of Mines'. (Although Cornes did write encouragingly, no letter informing Dunsheath of this is in the department's files.) After describing the company's headquarters and raising the possibility of producing 'many tons of High Grade Sulphur per day', the leaflet invited applications for another 9,000 shares. It concluded that, once the 'present parent company' had ascertained the value and extent of the ore reserves, it would either increase its capital to enable it to

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<sup>297</sup> Auckland Smelting Company Limited, 'Te Aroha Mine 1951', typescript, n.d. [May 1951], p. 2, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>298</sup> Te Aroha Warden's Court, Warden's Notes of Evidence at Hearing of 11 August 1948, 6/1948, B.J. Dunsheath Files 1948-1949, BCDG 11289/4a, ANZ-A.

<sup>299</sup> B.J. Dunsheath to C.H. Benney, 6 February 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>300</sup> Auckland Smelting Company Limited, 'Te Aroha Mine 1951', typescript, n.d. [May 1951], pp. 3-5, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>301</sup> B.J. Dunsheath to C.H. Benney, 6 October 1950, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

erect a treatment plant or form 'a separate larger Company to undertake the mining and to install [a] suitable plant'.<sup>302</sup>

Appended were the assay results of four samples sent to the Dominion Laboratory and of ten samples submitted in December 1950. Two of the latter samples were considered not worth assaying, and the others had erratic results, mostly poor. Another 11 assays, made in January 1951, revealed more traces of gold and silver than of base metals, but none gave high values.<sup>303</sup> Also appended was Cornes' report on his visit.<sup>304</sup>

In mid-May, Dunsheath informed Benney that Douglas Hay, of Hendy and Hay, according to him 'the best and oldest established Mining Stockbroker in New Zealand', had visited the mine:

Mr Hay took with him a Partner of his Firm, and very seriously enquired into, examined, and figured upon, our proposition at the Mine and on the Outcrops. After some hours up the Hill Mr Douglas Hay said, "Many people have asked me about your Scheme and I wanted to see first-hand what it comprised. I now realize that you have a very serious and promising proposal and without any more consideration my opinion is that the job has now got to that stage when you must form a large Company to continue your work to develop and mine the Area."

Mr Hay said he had spoken to other Members of the New Zealand Stock Exchanges regarding our Base Metal Mine, and Mr Don Schnauer, Auckland Stockbroker, has also visited the Area and has personally put money into it.<sup>305</sup>

(Like several other reportedly enthusiastic people, Hay did not acquire any shares; however in December 1950 Donald Ara Schnauer had indeed been allotted 200.)<sup>306</sup> Hay suggested they should 'approach some Firm or Person likely to be interested and able to' form a larger company, and 'for

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<sup>302</sup> Auckland Smelting Company Limited, 'Te Aroha Mine 1951', typescript, n.d. [May 1951], p. 5, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>303</sup> Auckland Smelting Company Limited, 'Te Aroha Mine 1951', typescript, n.d. [May 1951], pp. 6, 8, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>304</sup> Auckland Smelting Company Limited, 'Te Aroha Mine 1951', typescript, n.d. [May 1951], pp. 7-8, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>305</sup> B.J. Dunsheath to C.H. Benney, 17 May 1951, Mines Department, MD 1, 23/1/1218, Part 1, ANZ-W.

<sup>306</sup> Auckland Smelting Company, Returns of Applications, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

some time past' Dunsheath 'had been considering discussing the matter' with Fletcher, giving him details of what had been done and what finance was required.

Sir James proved to be most responsive and said that a Company of perhaps £500,000.0.0 at least would be necessary to cope with what is required. We then mutually discussed the cost of engaging one, two or three overseas, (probably from Australia), men of repute to visit the Area –

1. To see what is available, design a layout for the development and mining,
2. To advise upon and design the layout for the mechanical equipment, transport, Buildings and Machinery.
3. To deal with the Metallurgical and Laboratory features of the Scheme.

Fletcher was 'in a position to obtain the temporary services of one or more of these necessary reputable and capable men whose services will entail an expense of probably a thousand guineas and expenses, each'. To raise sufficient capital in New Zealand appeared 'hopeless', but should Fletcher assist he could 'secure substantial contributions from Australia, England and the United States'. There was 'no suggestion' of selling their interests to an overseas company, 'but individual overseas investors' would contribute capital. As thousands of pounds were required for a prospectus and to advertise the new company, their 'small company 'could not physically or financially accomplish' its launch 'unaided', nor 'readily obtain Guarantors willing to take the risk'. It might have 'to make a temporary secondary Company to bear the brunt of those rather extravagant expenses' involved in floating the larger company, but he did not know how much money was required for 'this Intermediate step'. Having discussed Benney's 'favourable attitude to the Scheme' with Fletcher, they were 'mutually preparing the enquiry for a friend in Australia' who would be asked to suggest suitably skilled men of integrity to visit and produce 'a first-class report'.

'Quite apart' from Fletcher, the company had 'received an offer based upon a personal introduction, (and an introduction from the Stock Exchange,) through Sir John MacKenzie to Campbell Craig & Co of Wellington'. Sir John, who had been 'known to' Dunsheath 'for many years', had stated that if these base metals could be produced 'he would give us as much backing as he possibly could to ensure that we meet with success. With the MacKenzie Trust we are assured of the necessary intermediate

steps and under-writing authority and the marketing of the Shares through the necessary financial Areas'. (Clearly Sir John McKenzie of Christchurch, founder of a chain of stores and one of New Zealand's wealthiest men, was meant. However, if they were so well acquainted, surely Dunsheath would have been able to spell his name correctly, and would have known that the J.R. McKenzie Trust, one of the largest philanthropic trusts in the southern hemisphere, did not assist with company flotation.)<sup>307</sup> Should Fletcher provide assistance, the company would not 'proceed with' McKenzie and Campbell, Craig, but it was 'quite likely' that Campbell would ask Benney for his opinion of the mine's prospects. (There is nothing on file to indicate that he did so.) Campbell, Craig had 'stated definitely their willingness to go overseas', taking Dunsheath to 'discuss the matter with suitable Australian Advisers, again with a view to getting good technical men to visit us and prepare the data for floating the Main Company'. As they did 'not propose to act with Campbell, Craig in the meantime', Dunsheath did not want them to know about the negotiations with Fletcher.

After purchasing Malcolm Hardy's interests, the company had prospected some of his Waiorongomai leases and wished to acquire more ground there. After providing details of their work, he concluded with a renewed appeal for assistance: 'I thought it wise to let you know definitely what is being done and trust you will approve and give us your blessing in our very energetic efforts to bring to fruition the production of Base Metals in New Zealand on a sufficiently large scale to help the Country's Economy'.<sup>308</sup>

This letter crossed with one from Benney protesting at his leaflet claiming he and Scoble had praised the mine. 'It has been the invariable policy of the Mines Department not to express judgment on prospective ventures of a speculative nature and thereby commit the Department to the success of the enterprise'. Their statements had not been as positive as claimed, and must be excised.<sup>309</sup> Scoble protested to Benney about the circular: 'I am at all times very careful in any remarks I make about mining

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<sup>307</sup> *Who's Who in New Zealand*, 5 ed., edited by G.H. Scholefield (Wellington, 1951), p. 151; Jennifer M. Gill, 'John Robert Hugh McKenzie', *Dictionary of New Zealand Biography: vol. 4: 1921-1940* (Wellington, 1998), pp. 317-318.

<sup>308</sup> B.J. Dunsheath to C.H. Benney, 17 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>309</sup> C.H. Benney to B.J. Dunsheath, 16 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

propositions.... I am sure that I have not said anything to Mr Dunsheath that might be construed as specially favourable to his venture. In fact, I can only recall meeting him at the mine once'.<sup>310</sup> After Dunsheath hastily assured Benney that the offending paragraph had been removed,<sup>311</sup> the latter clarified his department's stance. The prospects 'while highly speculative still constituted a legitimate mining venture', but even if the lode was proved to have good values 'a considerable prospecting and development programme still lay ahead before the worth of your areas could be assessed'.<sup>312</sup> In response, Dunsheath said that he wanted McAra and the directors to visit Wellington to discuss their plans with the government.<sup>313</sup> In December he was told that his proposals would be submitted to the next meeting of the Minerals Resources Committee, and that Mines Department and Geological Survey officers would visit in the following year.<sup>314</sup>

Late in May, Dunsheath informed the Department of Industries and Commerce that he wanted to form a new company and, to assist the flotation, requested a grant of £25 per ton for the first 1,000 tons of lead, zinc, and copper mined and treated locally. Alternatively, he asked whether the government would subscribe £50,000 towards the £500,000 capital.<sup>315</sup> In early June, Halstead sent Benney a telegram asking if Impey could see him urgently 'concerning proposition which I think will solve most of the difficulties'.<sup>316</sup> This meeting took place,<sup>317</sup> but was unrecorded. Two weeks later, Halstead informed Landreth by telephone that the company's

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<sup>310</sup> E.J. Scoble to C.H. Benney, 21 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>311</sup> B.J. Dunsheath to C.H. Benny, 24 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>312</sup> C.H. Benney to B.J. Dunsheath, 23 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>313</sup> B.J. Dunsheath to C.H. Benney, 28 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>314</sup> C.H. Benney to B.J. Dunsheath, 10 December 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>315</sup> B.J. Dunsheath to Under-Secretary, Department of Industries and Commerce, 25 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>316</sup> E.H. Halstead to C.H. Benney, 8 June 1951 (telegram), Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>317</sup> C.H. Benney to T.L. Gick, 28 June 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

finances were ‘now desperate as they are at a loss to meet this week’s wages bill’, and suggested the department should loan it £2,000, after which an ‘additional £5000 could be raised from some of his friends who realized that it was a gamble. This would allow completion of crosscut to reef’, which Landreth considered was the only way to keep the company afloat. Fletcher was reportedly interested still, and a Mr Watson was coming to inspect.<sup>318</sup> Benney informed Sullivan that Halstead was ‘interested in the company’ and suggested an interest-free loan of £2,000, repayable in five annual instalments of £400; Sullivan agreed.<sup>319</sup> (Halstead’s ‘interest’ did not extend beyond auditing its books: he held no shares.)<sup>320</sup>

By 13 June another 5,450 shares had been sold, some to existing shareholders, Dunsheath and Littlejohn acquiring another 100 each, and Impey 200.<sup>321</sup> The annual return dated 23 August reported that of the now 30,000 shares, 20,100 had been taken up. Calls received totalled £18,925, leaving £1,175 outstanding.<sup>322</sup> On 1 August, Dunsheath informed Benney that it had been decided to increase the capital to £50,000, after which the shareholders would ‘convert our interest into a Development Company’. Yet again, Fletcher was mentioned as being interested in the plans,<sup>323</sup> and indeed, when the next allotment was made on 11 September, he was the most notable new shareholder, acquiring 500 of the 5,600 sold.<sup>324</sup> But Sir John McKenzie did not acquire any shares, either then or later.<sup>325</sup> Fletcher was appointed a director in the same month as he purchased his interest,

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<sup>318</sup> R.F. Landreth to C.H. Benney, 21 June 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>319</sup> C.H. Benney to William Sullivan, 22 June 1951; memorandum by William Sullivan, 22 June 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>320</sup> Auckland Smelting Company, Returns of Allotments, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>321</sup> Auckland Smelting Company, Return of Allotments to 13 August 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>322</sup> Auckland Smelting Company, Annual Return, 23 August 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>323</sup> B.J. Dunsheath to C.H. Benney, 1 August 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>324</sup> Auckland Smelting Company, Return of Allotments to 11 July 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>325</sup> Auckland Smelting Company, Returns of Allotments, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

and would be appointed chairman of directors at the next directors' meeting.<sup>326</sup> In the two allotments made after the capital was increased, 22 of the initial shareholders of 1949 acquired more shares.<sup>327</sup> In October, Dunsheath correctly informed the warden that there were about 150 shareholders. 'He admitted that a broker had been travelling about selling shares, but this had been stopped',<sup>328</sup> which, if true, was only a temporary halt. Two months previously, he had told Benney that the company was 'already receiving very interesting letters from various overseas companies'. Both individuals and firms were showing willingness to help finance both the mine and a larger company, depending upon which 'eventual arrangement' was decided: 'Mine only, or Mine Concentrate, and possibly Smelt'.<sup>329</sup> (None of these overseas individuals or companies ever took up shares.)

#### MORE PROSPECTING, PREPARATIONS, AND ADVICE

In May, McAra and Burton inspected Waiorongomai again and observed considerable deposits of sulphide ore. Further prospecting of the Peter Maxwell had 'opened up a wide seam of very heavy dense Sulphides' and discovered 'several other substantial Sulphide seams adjacent' that had never been 'touched previously', Dunsheath believed.

At present we are also cutting a track to the "Thames Lead & Silver" also opening up the collapsed No. 4 Drive, cleaning up the faces of the Sulphide Reefs in Copper Creek-Peter Maxwell, clearing the Peter Maxwell Tracks including Track down the hill to Copper Creek. We are installing Ladders in several of the Winzes and are putting not less than two additional cuts in the Base Metals Outcrop.

Owing to the great difficulty in obtaining supplies of Drill Steels and Tungsten Carbide or other types of Bits our No. 5 Cross-Cut Drive programme has had to be reduced to one shift temporarily

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<sup>326</sup> B.J. Dunsheath to C.H. Benney, 12 September 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>327</sup> Auckland Smelting Company, Returns of Allotments to 2 November 1949, 24 February 1950, 13 August 1951, 11 September 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>328</sup> Warden's Court, *Te Aroha News*, 24 October 1951, p. 5.

<sup>329</sup> B.J. Dunsheath to C.H. Benney, 8 August 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

but as soon as we are able to get supplies we will resume two shifts.<sup>330</sup>

They planned to employ Hardy, who had provided maps and details of the ore treated, to assist to restart mining at Waiorongomai.<sup>331</sup> Shortly afterwards McAra had a 'serious accident', of an unrecorded nature, requiring his being hospitalized; despite this, No. 4 level was re-timbered.<sup>332</sup> In the year to 31 March 1952, the company spent £460 of their subsidy.<sup>333</sup> By the end of July, No. 4 had been cleaned out completely (a distance of 400 feet) and the reef at its end was sampled. Preparations were also being made to examine the Thames Lead and Silver mine, on the far side of the ridge, and the Ruakaka reef was being tested, along with the Peter Maxwell section, which Dunsheath reported was 'most attractive'. Surveys were made of Waiorongomai, with Hardy and some casual employees cleaned out drives there 'to facilitate inspection and check sampling by an Overseas Engineer whom we have engaged to visit our Area and give a complete report'.<sup>334</sup> A week later, Dunsheath reported that G.H. and J. Watson of Sydney,<sup>335</sup> now their mining and consulting engineers, had sent J.M. Warrington to inspect; he invited the department to visit at the same time.<sup>336</sup>

Before Warrington arrived, six samples from Tui and one from the Premier mine at Waiorongomai were assayed by the Dominion Analyst,

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<sup>330</sup> B.J. Dunsheath to C.H. Benney, 17 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>331</sup> B.J. Dunsheath to C.H. Benney, 28 May 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>332</sup> C.H. Benney to B.J. Dunsheath, 6 June 1951; B.J. Dunsheath to C.H. Benney, 11 June 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>333</sup> Auckland Smelting Company, Mine Development Account for year ending 31 March 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>334</sup> B.J. Dunsheath to C.H. Benney, 1 August 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>335</sup> For one of the partners, see D.F. Branagan, 'George Herbert Watson (1894-1963)', *Australian Dictionary of Biography*, vol. 16 (Melbourne, 2002), p. 502.

<sup>336</sup> B.J. Dunsheath to C.H. Benney, 8 August 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

with very variable results, none of much value.<sup>337</sup> At his request, Dunsheath received a copy of Eric Ogilvy Macpherson's 1932 report of Te Aroha's geology on condition that no portion was published.<sup>338</sup> In returning this 'very interesting reading', he claimed that, as 'no interest was being taken in Base Metals' then, its comments did 'not have the same importance as they would to-day'. Nevertheless, 'there was at least one helpful observation', unspecified, 'which I have already taken steps to work upon'.<sup>339</sup>

The annual report submitted to the company's general meeting on 9 August 1951 began by stating that the 'very many difficulties' encountered had mostly been 'successfully overcome'. Replacing the 'steep, overgrown and narrow tracks', a road of two and a quarter miles had been constructed to an altitude of 1,600 feet.

Engineroom, Engineer's and Blacksmith's Workshops, Crib Room and Shower Room have been built. At this altitude is the Portal of No. 5 Cross Cut Drive which the Company is now piercing to intersect the lower level of the "Champion" lode which outcrops 505ft above. This Drive has now advanced to 455ft and is being pushed forward with all possible speed.

At the Mouth of the Drive have been erected Staging, Bins, Chutes and a Store and Shelter Building. Nearby has been built a Blower House....

The Main Engineroom is equipped with a four cylinder Diesel Engine of modern type driving the Air Compressor for working the rock drills underground....

At the Company's Depot within the Borough we have already equipped a first class Laboratory to take care of the assaying and analysing, also Drawing Office, Store, and Manager's and Superintendent's residences. For transport purposes to the Mine the Company possesses a Heavy Duty four-wheel drive Truck, also has the use of a "Jeep."

A convenient water supply has been arranged and led to the Building and to the underground drive. Air supply pipes lead from the Engine House to the Drive and up to the working face.

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<sup>337</sup> Dominion Analyst to B.J. Dunsheath, 25 September 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>338</sup> B.J. Dunsheath to C.H. Benney, 10 September 1951; C.H. Benney to B.J. Dunsheath, 18 September 1951, Ministry of Commerce, AATJ 6090, 18/65, ANZ-W.

<sup>339</sup> B.J. Dunsheath to C.H. Benney, 24 September 1951, Ministry of Commerce, AATJ 6090, 18/65, ANZ-W.

New rails are laid in the drive which is equipped with the usual facilities. Modern Steel Dumping trucks are used in the Mine.

The ground contained 'a large number of more or less substantial Sulphide Reefs', the outcrops of which had been surveyed. After many samples had been taken from the surface and, where possible, underground, all the ground from the Thames Lead and Silver to the Peter Maxwell had 'proved worthy of close examination' and was being explored. The government had been 'most helpful', providing £500 towards constructing the road and £120 towards No. 5; no mention was made of its offer of a £2,000 interest-free loan.

As you will no doubt understand it is the intention of this prospecting Company to float a considerably larger organisation to develop and mine the property. With this in view we have already made contact with substantial authorities who have evinced considerable interest in the valuable Te Aroha area held by us and in due course the Directors propose to negotiate with these people.

Since work had commenced, £12,007 10s had been spent.<sup>340</sup> (In the absence of the company's records, it is not known whether in fact 'substantial authorities' had expressed interest.)

At the end of the month, Dunsheath wrote to the *Te Aroha News* thanking residents who had written to support the company's plans. After promising that future operations would 'avoid inflicting ugly scars on the beautiful bush-clad mountain', he made some exaggerated statements:

Both Labour and National governments have sincerely encouraged our prodigious exploration scheme at Te Aroha and have financially backed our efforts in no uncertain manner. No great stretch of imagination is needed to realise that the mineral wealth of Te Aroha can produce results with far-reaching consequences in respect to the economy of this Dominion.

The President of the British Institute of Mining Engineers in London recently said that no substantial deposit of metallic ores had been discovered during the past fifty years, and it was imperative that additional sources of supply be found if the world is to maintain the present rapid rate of consumption of metals. For our comfort every one of us is dependent upon metals,

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<sup>340</sup> Auckland Smelting Company, Annual Report of the Directors, 9 August 1951, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

although the average person completely fails to realize this fact. Our present £50,000 capital cannot fail to help Te Aroha, and an ultimate operation by a large company will lift the township to greater prosperity.<sup>341</sup>

Warrington inspected from 30 September to 7 October. After visiting the outcrops and adits in the Tui area, the Thames Lead and Silver and Peter Maxwell mines, and McLean's level at Waiorongomai, he felt unable to 'form a precise opinion of the value of the deposits exposed in the existing workings', but because of the potential considered 'a programme of expansion' was 'warranted along proper planned lines'.<sup>342</sup> He made several recommendations:

A development programme should be launched as soon as possible designed to establish, positively, the value of these deposits. The scheme should include -

- (a) A minimum of 4,000 feet of openings and up to 6,000 feet of diamond drillings.
- (b) A substantial increase of existing staff at the mine to allow the investigation to go forward on a scientific basis from the outset.
- (c) A comprehensive sampling programme to cover all phases of the work and include check sampling of all existing unstopped drives etc.
- (d) The assay laboratory already existing at the mine is to be brought into operation and a competent officer engaged to carry out the work.
- (e) Accurate surveys with theodolite and chain and establishment of a system of co-ordinates to facilitate the work of exploration. Preparation of geological records will be an integral part of this work.
- (f) Stepping up of underground work in order to complete the expansion in a reasonable time and inauguration of two-shift operation for a five day week.<sup>343</sup>

He gave the distances to be driven or diamond drilled in the various adits, and wanted 4,000 samples taken at 10-foot intervals.<sup>344</sup> Improved

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<sup>341</sup> Letter from B.J. Dunsheath, *Te Aroha News*, 28 August 1951, p. 4.

<sup>342</sup> J.M. Warrington, 'Report on Metalliferous Deposits at Te Aroha, North Island, New Zealand', n.d. [October 1951], pp. 2-5, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>343</sup> Warrington, 'Report on Metalliferous Deposits', p. 5.

<sup>344</sup> Warrington, 'Report on Metalliferous Deposits', pp. 6-7.

road access and more plant must be provided. At the end of six months the staff should consist of a superintendent, a surveyor-geologist, an assistant surveyor, an assayer, an assistant assayer, a storekeeper-clerk, two shift supervisors, a surface foreman and prospector, three samplers, 16 miners and labourers, four drivers, and one fitter. 'Technical Managers' should control the work. This development, to take two years, would cost £100,880.<sup>345</sup> According to Dunsheath, Warrington considered the area 'the most interesting one he has ever inspected' and which could justify erecting a plant capable of treating 50,000 tons a month.<sup>346</sup>

In late October, protection was sought for the two Waiorongomai claims, purchased in the previous month, 'to enable completion of the financial and technical arrangement' for their 'joint working'. They were part of the 2,000 acres the company wished to prospect, for mining would be uneconomic unless 'undertaken over a very large and extensive area'. The company claimed to have 'spent £30,000 on prospecting and exploratory work and the total length of driving opened up was nearly 3,000ft'. The development recommended by the Sydney engineer 'of world-wide repute' would not be undertaken unless the company had confidence in it. It was claimed that 'the Mines Department considered that the project would be of great benefit to the Dominion at least'. As Dunsheath told the warden,

The idea of a small scheme had been turned down on economic grounds. To be successful the scheme had to be an extensive one. Engineering reports had confirmed the company's previous contentions. Mining was an expensive business and at least fifty per cent of the money already spent had been used for the purchase of plant and machinery.

The department 'had been kept fully informed' and 'had offered an interest free loan but this had not been accepted'. (There is nothing in the departmental files to explain why this offer had been declined; presumably it was because, being a loan and not a grant, it would have to be repaid.) Challenged by counsel for two men who wished to prospect 200 of these 2,000 acres, Dunsheath admitted that the company 'intended to take up all the land available for mining' because this was most economical; its 'objective was to find out what was worth exploring'. Responding to the

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<sup>345</sup> Warrington, 'Report on Metalliferous Deposits', pp. 8-10.

<sup>346</sup> B.J. Dunsheath to C.H. Benney, 9 November 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

complaint that his area was too large, Dunsheath claimed that ‘an American smelting company had been interested in a piece of land at Waiorongomai but had turned it down because it was too small. The expense would be too great to deal with the area piecemeal’. He was anxious to work the Waiorongomai claims immediately, as had been ‘suggested in Wellington ... by a very important man of the government’,<sup>347</sup> possibly Halstead, who was to become Minister of Social Security in 1954 and Ministry for Industries and Commerce as well as Customs in 1956.<sup>348</sup> The company was granted its prospecting license, less these 200 acres.<sup>349</sup> According to Norman Annabell, probably this large area was sought ‘for the purpose of an enlarged Company promotion scheme’.<sup>350</sup>

During 1951, old drives at Waiorongomai had been cleared out, and McAra and Burton had examined many reefs both underground and on the surface. They considered the area to be ‘a big low to medium-grade gold and silver proposition’. A tender had been obtained to form a road from Waiorongomai to McLean’s level at a cost of £3,000, not including pipes, metalling, and blasting. Dunsheath wanted the Waiorongomai and Tui mines worked together both for reasons of economy and because the gold and silver from the former would ‘sweeten’ the Tui base metals when prices for the latter fell. Electric engines could haul ore on double track tramways driven through the mountain to underground hoppers for trucking down to Waiorongomai, thus ending the dispute with the council over the water supply;<sup>351</sup> he did not mention how much these developments would cost.

### MORE SUBSIDIES REQUESTED

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<sup>347</sup> Te Aroha Warden’s Court, Mining Applications 1951, 1/1951, BCDG 11289/4a, ANZ-A; Warden’s Court, *Te Aroha News*, 24 October 1951, p. 5.

<sup>348</sup> Wilson, p. 87.

<sup>349</sup> *Te Aroha News*, 30 November 1951, p. 5.

<sup>350</sup> Norman Annabell to C.H. Benney, 28 September 1951, Health Department, YCBE 1990/524a, ANZ-A.

<sup>351</sup> B.J. Dunsheath to C.H. Benney, 9 November 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

In late November, Trevor Lewis Gick, a chartered accountant,<sup>352</sup> previously the company's auditor and now its secretary, informed the Mines Department that the directors intended to carry out Warrington's report, 'subject to securing substantial Government assistance'. Of their now 50,000 shares, 38,000 had been sold, making £8,000 currently available. As a capital expenditure of £39,275 was planned, they planned to seek permission to increase the capital to £125,000. The directors' requests had ballooned: they now sought a £25,000 interest-free loan, a subsidy of £7 towards what was now estimated to be a cost of driving of £20 per foot (no explanation was given for this big increase), the loan of diamond drilling equipment, and a grant of £5,000 towards the estimated drilling cost of £13,500.<sup>353</sup> To support their case, details were provided of the planned developments along with costings and plans.<sup>354</sup> Because of this request for a considerably increased loan, granting the £2,000 one was deferred.<sup>355</sup>

After Warrington pinpointed 'the best location for a proposed drive to intersect the reef identified by extensive surface surveys', mining could commence 'in earnest', and McAra moved his wife and four children to a house he had purchased in Te Aroha.<sup>356</sup> In December, Dunsheath claimed, in a letter to the county council, that the company would start carrying out Warrington's proposals 'early in January next'. To get machinery to McLean's level, he offered to purchase the tramway for £10 if the council would not repair it. 'At very considerable private expense and subsidized by the Government, we are making a do-or-die effort to open up this Te Aroha Complex Ore Mining Field, which we are confident is of considerable

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<sup>352</sup> See *Auckland Star*, 30 March 1938, p. 8, 1 November 1940, p. 9, advertisement, 29 August 1945, p. 10; *New Zealand Herald*, 8 September 1943, p. 2; Probate of Trevor Lewis Gick, Probates, BBAE 1570, 492/84, ANZ-A.

<sup>353</sup> T.L. Gick to C.H. Benney, 28 November 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>354</sup> Auckland Smelting Co., 'Estimated Capital Expenditure Including Contingencies for Period of Two Years Commencing 1st January, 1952'; 'General Layout of the Work Proposed in Mr Warrington's Report'; five plans appended, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>355</sup> V.R.S. Meredith (Crown Solicitor) to C.H. Benney, 13 December 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>356</sup> Peter McAra, p. 2.

dimensions'.<sup>357</sup> While awaiting a response to the request for assistance, constructing the road to McLean's level was postponed and none of the 'several good technical men' seeking work were employed.<sup>358</sup>

An editorial in the *Te Aroha News* in early January 1952 supporting the project was clearly based on information provided by the company, for it stated that, with the Martha mine at Waihi soon to close,

all eyes have turned to Te Aroha where a private company has been conducting preliminary investigations on the possibility of launching a major lead mining project. It has been known for some considerable time that valuable deposits of lead and other metals which are in great demand today exist in this district but these have not yet been fully surveyed and proved.

Mining is an expensive business and before any major undertaking can be embarked upon it has to be proved, despite the world's shortage of metal, that there is sufficient ore present to make its extraction a practical and economic proposition. The company which is making the test here has spent a considerable sum of money and has made good progress. Its work has been thorough and methodic and it should not be so very long before it can announce the results of its investigations.

Who knows, but the town may be on the brink of a new mining boom. If this is the case Te Aroha may soon become of even greater importance.<sup>359</sup>

Scoble and Landreth visited from 21 to 24 January but a member of the Geological Survey was unable to join them. They considered that no 'serious attention' needed to be paid to Waiorongomai, where the company had made only 'desultory examination of old workings' (a very different perspective to Dunsheath's claims),<sup>360</sup> a district 'subject to an intensive survey by officers of the Mines Department in past years'. They did not take any samples at Tui, considering these 'not crucial', as previous sampling had revealed a 'high base metal content' but with 'negligible' gold content of the sulphides. Scoble's and Crawford's 56 samples taken in 1936 had proved

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<sup>357</sup> B.J. Dunsheath to Clerk, Piako County Council, 4 December 1951, Mines Department, MD 1, 21/2/4, Mines Department, Wellington.

<sup>358</sup> B.J. Dunsheath to C.H. Benney, 13 December 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

<sup>359</sup> Editorial, *Te Aroha News*, 11 January 1952, p. 4.

<sup>360</sup> See B.J. Dunsheath to C.H. Benney, 1 August 1951, Mines Department, MD 1, 23/2/1218, Part 1, ANZ-W.

the area had 'no possibilities as a gold producer, and while no assays were taken of the base metal content this was because their occurrence was not considered sufficiently encouraging to justify sampling and assaying'. They discussed Warrington's prospecting recommendations with Dunsheath, Burton, and McAra, as well as with Hugh Crawford, who had 'inspected the area on various occasions'. Adams' 1929 report claiming high base metal content was 'sufficiently encouraging to warrant an investigation' to confirm it, but as 'unfortunately when the workings were open they were not inspected by any officer of the Mines Department or the Geological Survey' there was 'no official record available'. They believed operations should have commenced by re-opening No. 3 level to test the lode by driving on it, then doing likewise in No. 4, and finally, if results were sufficiently encouraging, commencing No. 5. 'The company determined otherwise, and has staken its hopes upon the driving of No. 5 crosscut some 160ft below No. 4'. To date, only 560 of the estimated 800 feet needed to hit the reef had been driven.

Progress has been painfully slow due to difficulty in securing labour. At the moment only 3 men are employed, 2 in the drive and one on the surface looking after the compressor, ventilating unit, etc. If reasonable progress is to be made the crosscut must be worked in two shifts. Difficulty in obtaining labour is due in great part to lack of suitable housing accommodation at Te Aroha. It seems as if the only solution is for the company to provide housing, but this would be a heavy drain upon a prospecting company with limited financial resources.

Although No. 4 level contained 'excellent' ore exposed over a length of ten feet, the width of the sulphide band was 'a little disappointing in view of the old reports', averaging less than one foot. Driving on No. 5 made further development of No. 4 redundant for the moment.

All together there would appear to be a possible extent of the lode along the strike for 2,000ft plus, and a possible vertical depth of say 500ft. If the sulphide band averaged 1ft in width over the whole of this extent both horizontally and vertically, there would be some 100,000 tons of sulphide ore.

Based on several assumptions, this lode could contain 400 tons of copper, 8,000 tons of lead and 16,000 tons of zinc, worth £4,000,000. On the other hand, development might reveal sulphides 'only in bunches

irregularly distributed' and diminishing with depth, making the total tonnage 'negligible'. The possibilities were 'sufficiently attractive to justify a prospecting programme', even though the result was 'highly speculative'.

From a national viewpoint definite information about the behaviour of the lode in depth and an estimate of the total metal content of the lode would be of value and accordingly in our opinion merits some measure of financial assistance from the Government. There has been a tendency on the part of the company to expect that the major portion of the finance should be contributed by the Government, and apparently the extensive and ambitious prospecting programme is based on such an expectation. In our opinion from the information available there is little justification for embarking on the large scale intensive prospecting programme set out and certainly none for the Government to contribute all but a small fraction of the necessary finance.

To encourage the company to complete No. 5 and drive 400 feet along the lode in both directions, they recommended that, in addition to the loan of £2,000, the subsidy per foot be raised from £2 to £3, to a maximum of 800 feet, which was equivalent of a £1 for £1 subsidy.<sup>361</sup> This arrangement was offered to the company in early March.<sup>362</sup> One week later, Gick expressed the directors' 'keen disappointment at the amount' offered, claiming the company had spent £30,000 of the £43,000 raised whereas the government had provided only £900.<sup>363</sup> (In fact, the company's records showed the government had provided subsidies totalling £1,080 to the end of March,<sup>364</sup> and its offer of a £2,000 interest-free loan was yet to be taken up.) The department was now asked to promise 'substantial aid' if a payable lode was

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<sup>361</sup> E.J. Scoble and R.F. Landreth, 'Application for Financial Assistance by Auckland Smelting Co. Ltd.', n.d. [February 1952], Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>362</sup> C.H. Benney to B.J. Dunsheath, 7 March 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>363</sup> T.L. Gick to C.H. Benney, 14 March 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>364</sup> Auckland Smelting Company, Mine Development Accounts for the years ending 31 March 1951, 31 March 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

found.<sup>365</sup> Landreth told Benney that he considered that 'if results were satisfactory' and the company could not obtain 'sufficient finance to proceed some further measure of assistance' would be 'justified', but no commitment should be entered into until results were obtained.<sup>366</sup> Benney responded that 'this project was never designed or carried on on the basis of the State providing a substantial, or any, part of the capital, and if successful the reward, quite rightly, will be to the shareholders'. The company 'would not need financial aid from the State should good payable ore be struck and proved to persist in No. 5 Level'.<sup>367</sup>

#### CONTINUED WORKING, MORE ADVICE RECEIVED

At the end of March, Sullivan was informed that the company had obtained a 'working party of experienced miners from Waihi' to complete No. 5 and to drive along the exposed face of No. 4.<sup>368</sup> The *Te Aroha News* explained that because of mines closing down elsewhere the company had been able to obtain 'reliable and skilled underground machine drillers', who were working two shifts on contract.<sup>369</sup> The following month, McAra informed the Te Aroha Rotary Club about their testing, 'a big undertaking' that was making 'good progress'. Successful development 'would not be only an asset to the district but would assume national importance'. With new methods, 'highly payable quantities of ore' could be produced at a time when demand for base metals was increasing. 'The work done to date showed that there was an intricate network of payable reefs throughout the whole of the Te Aroha-Waiorongomai areas and was such that extensive underground exploration was definitely warranted'.<sup>370</sup> By early May, in attaining 700 feet

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<sup>365</sup> T.L. Gick to C.H. Benney, 14 March 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>366</sup> R.F. Landreth to C.H. Benney, 17 March 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>367</sup> C.H. Benney to R.F. Landreth, 17 March 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>368</sup> T.L. Gick to William Sullivan, 31 March 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>369</sup> *Te Aroha News*, 28 March 1952, p. 4.

<sup>370</sup> *Te Aroha News*, 4 April 1952, p. 5.

No. 5 had struck a 12-foot reef, possibly the Champion or 'a portion which has split off from same'; extending it would prove what had been cut.<sup>371</sup>

Late in May, Dunsheath asked for the report written by 'Government Geophysical Survey Officers' who had spent 'some considerable time' examining Te Aroha.<sup>372</sup> At the beginning of the following month, John Benjamin Misz,<sup>373</sup> of the Geophysics Division of the Department of Scientific and Industrial Research, produced his geophysical survey.<sup>374</sup> He reported that although 28 working days had been spent between 1 November and 7 December, on 16 of these days work was impossible because of 'continuous heavy rain', and seven other days 'were cut short by early afternoon downpours'. Lack of labour had hindered the survey as well. 'For the first week, only one man was available' to assist, and when two helped later, they were 'not the same two for the entire remaining period, and whenever a new man was assigned, time was lost familiarizing him with the work'.<sup>375</sup> Having explained why the survey had taken so long, he gave full details of the geological history of the peninsula, largely using earlier geological surveys to explain the mineralization and noting their disagreements on basic points.<sup>376</sup> McAra believed the 'extreme ruggedness' of the country to the west of Waiorongomai's buck reef had prevented the discovery of reefs there, but Misz considered the reason was 'more apt to be geological'. He warned that mining would not be cheap, pointing out the lack of roads and the hours it took to walk from one part of the field to another. The company had 'cleaned and drained' No. 2 level and No. 4 crosscut, both of which contained 'a nine inch sulphide band'. After No. 5 crosscut struck the Champion reef it might be continued to the Ruakaka

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<sup>371</sup> E.J. Scoble to C.H. Benney, 9 May 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>372</sup> B.J. Dunsheath to C.H. Benney, 20 May 1952; see also C.H. Benney to Director, Geophysical Survey, Department of Scientific Research, 27 May 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>373</sup> See Alien Registration Files, BADW 504/39351, ANZ-A.

<sup>374</sup> Memorandum by E.I. Robertson (Superintendent, Geophysics Division, Department of Scientific and Industrial Research), 3 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>375</sup> J.B. Misz, 'Te Aroha Mountain Geophysical Survey', n.d. [June 1952], Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>376</sup> For example, Misz, p. 4.

reef, about 400 feet further east.<sup>377</sup> Details were given of geophysical investigations 'confined to self-potential and resistivity on the Paddock Reefs [just above the golf course],<sup>378</sup> Dead Goat Creek Reef, Thames Lead and Silver, No. 2 level, No. 4 crosscut and Goat Winze'.<sup>379</sup> Adequate testing required longer time using better equipment and a 'field crew' of at least three men.<sup>380</sup>

### DISAGREEMENT OVER MANAGEMENT

The following month, Dunsheath wrote a personal letter to Landreth about Burton and McAra. After stating that the former had at all times been 'a most valuable asset', he found fault with McAra:

To begin with we made McAra to be in charge of all the Works Underground and Surface, but following a number of errors of judgment made by McAra it was decided to put Burton in charge of the work and make McAra the Mine Manager only. This worked very well and the two men worked in cooperation. The various works required were discussed amicably and between them they decided who should do the work and how it should be undertaken. I found that McAra was rather inclined to undertake certain jobs with which he had no experience whatever. In this way we got into trouble on many occasions. As you will readily realize mistakes cost money, therefore at the end of 1950 after Mr McAra had been employed by the Company just over a year, the Management of the job was split up so as to make McAra Mine Manager in charge of all underground works and Burton in charge of all surface works. This worked very satisfactorily until one day Mr McAra raised the point in front of some of the Directors whom he asked to clarify his position with the Company. As a result of this a memorandum was given to both McAra and Burton setting out their respective duties. McAra was to be definitely the Mine Manager in charge of all underground works, and Burton was to be surface Supervisor in charge of everything above ground including roads, transport, engine room, etc.

McAra is an ambitious man and with proper supervision and guidance everything went very satisfactorily. However, for some reason he sent a personal letter addressed to the Chairman of

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<sup>377</sup> Misz, pp. 8-9.

<sup>378</sup> Metz, p. 14.

<sup>379</sup> Misz, p. 9; the maps and sketches showing these locations are not included in the file.

<sup>380</sup> Misz, p. 18.

Directors Sir James Fletcher, and complained regarding the instructions given by myself as Managing Director. Sir James, unwittingly, fell into a trap and found that he and I had given contrary orders to McAra. McAra then adopted the attitude that he should only take instructions from the Managing Director provided they were confirmed by the Secretary in writing. Naturally, this was rather difficult for all concerned, and in the meantime, Mr Burton was asked by Sir James Fletcher to work under McAra's instructions. Poor McAra, unfortunately, has given so many foolish orders that Burton decided he could no longer work alongside McAra, and decided to leave the job and take a little holiday which he is still doing.

In the meantime the whole matter has been ventilated at the Directors' Meeting to-day, and we have decided to tell McAra that it is our intention to put one man in charge of the entire property and Mine, and that this man would be appointed in the near future.

As the directors wanted a certified mine manager who could also do surface and clerical work, they would soon ask Landreth to suggest one.

From my own personal experience and intimate knowledge I would like to have Burton take on the job because he is an all-round man, a first-class prospector, a good man on timber, excellent at putting down engines and foundations, building tips, putting up buildings, installing machinery, putting in a straight Drive, assessing the hardness of the Country underground, taking a compass survey, doing general blacksmith's work including pointing and hardening Miners' Picks or making Drill Steels. Burton is a first-class man on making roads, water dams, etc. He can outdistance most young men when trailing round the mountain or in man-handling heavy timber, etc. What is most important, he is most wonderfully tactful and capable when it comes to handling labour.

McAra has got us into a whole lot of trouble in connection with our underground Drillers who are supposed to be working on contract. They are taking advantage of him and of course, of us. They completely ignore his orders and carry out the work just as they like. For instance, much of the work done by him or to his instructions has either had to be done over again or will have to be pulled down and rebuilt in the very near future. At the present he has allowed the Drillers to get the Roof on No. 5 Drive nearly 9ft from the top [of] the rails instead of the maximum of 7ft which is in our specification. Mac says that the men "cannot help it" but it is naturally quite ridiculous to be taking out a matter of 2 tons of country rock with each round fired. They were playing up with him last week and telling him the country was so hard that it

took them six individual times to fire out the round. He thinks they are quite sincere and is at present recommending we pay them much more money than the agreed contract price per foot. There is no doubt in my mind that McAra will leave us and I am wondering what your opinion is regarding the suitability of Burton, who incidentally, is an extremely hard worker at all times and possesses great wisdom and understanding when it comes to matters of mining and engineering.

Having thus extravagantly praised the man he had always wanted as his mine manager, Dunsheath professed to be worried about the cost of obtaining an 'outside man' and the long delay before he could start work, and sought Landreth's private opinion about the best thing to do. He added a postscript that if they could obtain 'a pensioner with a certificate Burton would gladly do the rest'.<sup>381</sup>

Landreth expressed surprise, for he had considered that McAra and Burton had 'co-operated very well in what must be regarded as a difficult situation', as dual control always was. He agreed that single management was better. 'It seemed to me, as I informed you, that the general lay-out and method of working was adequate and workmanlike, but not extravagant' for a prospecting company. While impressed with Burton's 'considerable experience', the fact of his being uncertified 'must handicap him considerably, and the appointment of a certified man to act more or less as a dummy for him must eventually result in the same difficult situation'. He named an employee of the Otago School of Mines as being an excellent replacement.<sup>382</sup>

The following day, Dunsheath wrote to Benney about a suggestion McAra had made at the beginning of May, which (although Dunsheath had not explained this) had provoked his attack on him. When McAra 'suggested very strongly' that the reef cut in No. 5 at 600 feet was the same as that in No. 4, the directors were 'very sceptical about the Country moving 200ft to bring the Reef to this particular position'. Gordon Williams, director of the Otago School of Mines, was cited as agreeing with them. McAra wanted to turn the level 40 degrees to the south to be at right angles to the Ruakaka

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<sup>381</sup> B.J. Dunsheath to R.F. Landreth, 6 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>382</sup> R.F. Landreth to B.J. Dunsheath, 9 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

reef, which was 700 feet away.<sup>383</sup> Landreth advised Benney that the direction of the level did not make much difference to the length to be driven, and doubted the reef cut was 'either a new reef or a split off the Champion', for it was 'not a question of the country moving 200ft, but of a change in the dip in the reef'. As Scoble was 'non-committal' and Williams considered the reef was not the Champion, 'the crosscut should be persisted with' until a decision could be made, and he recommended continuing the subsidy 'up to 800ft as originally approved and in the changed direction'. The uncertainty was 'inseparable from the driving of low level crosscuts without following the reef down by winzing from the last level', the 'golden rule of prospecting' being 'to stick to the ore'. Continuing the crosscut to intersect the Ruakaka would 'further demonstrate the folly of such prospecting'. If the Champion did not 'carry base metals in depth', it was 'difficult to see why there should be an improvement' in the Ruakaka. He recommended that, when the position of the Champion reef was determined, the company drive on it to thoroughly test its value; if the results were disappointing there was 'little case' for exploring the Ruakaka.<sup>384</sup> Dunsheath was informed that the subsidy already paid for 350 feet of driving would be continued for an additional 150 feet, as originally agreed to. 'Should, however, another reef not be intersected in this distance, it would then appear that the reef intersected must be the Champion after all', and the department considered the company would be 'well advised to explore this reef by driving along it before undertaking the long crosscut to the Ruakaka reef'.<sup>385</sup>

Two weeks after his first attack on McAra, Dunsheath again complained to Landreth about him, listing a number of skills he allegedly lacked that were irrelevant to his work as mine manager. He claimed McAra lacked 'sufficient experience in the general handling of the Mine requirements, Timber, Roads, Machinery, etc, to be able to make a right decision'. He also lacked 'experience with road making, cutting timber, driving trucks, putting in foundations', and so forth. Whereas McAra received a salary of £850 plus a house and allowances, Burton had been

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<sup>383</sup> B.J. Dunsheath to C.H. Benney, 10 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>384</sup> R.F. Landreth to C.H. Benney, 16 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>385</sup> C.H. Benney to B.J. Dunsheath, 24 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

‘carrying the load’ on a labourer’s wage. He repeated that Burton had lots of tact.<sup>386</sup> The following month, it was planned that, when in Dunedin, Fletcher would interview McAra’s possible replacement.<sup>387</sup>

#### AN OFFER OF ASSISTANCE, WITH WARNINGS

As mentioned in passing by Dunsheath, Gordon Williams, of the University of Otago and director of the Otago School of Mines,<sup>388</sup> when visiting in June had ‘suggested that the company allow him to help it’, being particularly interested in how to concentrate the minerals. The local newspaper welcomed his assistance because it would prevent ‘the company wasting thousands of pounds on unnecessary experiments before deciding upon the most suitable method’.<sup>389</sup> ‘Argus’ believed that ‘perhaps a fair percentage of the more progressive residents’ had been heartened by the news, and considered it likely the mine would be ‘a most important factor in the prosperity of both town and district’.<sup>390</sup> In the following month, ‘S. Ignatius’ considered that the company’s plans were ‘the greatest progressive movement ... ever brought about in the history of Te Aroha’.<sup>391</sup>

Nothing was made public about Williams’ investigations, even shareholders not being informed of them. However, Williams sent Landreth a copy of his private report, asking him ‘to consider it confidential and not use it in any official way’.<sup>392</sup> His opinions were based on ‘brief first impressions’ during one afternoon’s visit, and reached without access to assays, maps, and other information. He believed the ore was likely to be of lower value at depth and it was ‘probable that no large scale workings may be anticipated’. A successful mine would need to produce 12,000 tons per

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<sup>386</sup> B.J. Dunsheath to R.F. Landreth, 19 June 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>387</sup> T.L. Gick to C.H. Benney, 1 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>388</sup> See G.S. Parsonson, *A Brief History of the Otago School of Mines 1871-1971* (Dunedin, 1971), pp. 6-7; Gordon Parry, *The Otago School of Mines 1879-1979* (Dunedin, 1979), pp. 7-9.

<sup>389</sup> *Te Aroha News*, 20 June 1952, p. 5.

<sup>390</sup> Letter from ‘Argus’, *Te Aroha News*, 27 June 1952, p. 5.

<sup>391</sup> Letter from ‘S. Ignatius’, *Te Aroha News*, 22 July 1952, p. 5.

<sup>392</sup> R.F. Landreth to J.B. McAra, 24 August 1962, Inspector of Mines, BBDO 18634, A902, box 58, file 4, ANZ-A.

year for 15 years, an amount which did not exist in this mine alone and was unlikely to occur 'in any other single mine'. He was 'under the impression that the fundamental importance of tonnage and grade' was 'not fully realized. However attractive individual exposures may be', they had 'no commercial value' unless 'reasonably persistent'. After advising about techniques for mining the narrow reefs, he warned there was 'no alternative' to erecting 'a central mill of 50-ton per day capacity, and capable of producing three products by selective flotation - the concentrates of zinc, lead, and copper'. Experiments would determine the most suitable milling procedures, but 'the all-important question of ore reserves' must be determined first. When estimating costs, he warned that ore would 'almost certainly have to be drawn from small mines in several localities, each requiring separate mining equipment, surface access, and underground entry'. Mining and milling plus overheads would cost as much as £12 per ton, much more than elsewhere, and with the falling price of ore along with the need to ship concentrates to Australia or elsewhere, with a tentative freight cost of £6 7s, profit per ton would be only £1 13s. Offering to assist prospecting in November for other reefs, he suggested possibly bringing ore from other base metal reefs on the peninsula and amalgamating with other parties to share the mill and provide adequate reserves; he would be 'glad to act as an intermediary if such a scheme should be entertained'. His conclusions made sobering reading for the directors:

- (i) The formation of an operating company with, perhaps £100,000 capital is not yet justified.
- (ii) There is considerable doubt whether, even if the reef is struck in No. 5 crosscut, the Champion Reef alone would make a mine.
- (iii) More consideration should at this stage be given to neighbouring prospects, firstly by studying records and maps.
- (iv) Unless 150,000 tons of good grade ore are available, there is little hope of operating with financial success.<sup>393</sup>

In his 1965 publication *Economic Geology of New Zealand*, Williams analyzed the complex ore without giving any estimate of its value, apart from noting 'the very lean gold content of the oxidized ore'.<sup>394</sup>

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<sup>393</sup> Gordon Williams, Report for Auckland Smelting Company, n.d. [c. June 1952], Inspector of Mines, BBDO 18634, A902, box 58, file 4, ANZ-A.

<sup>394</sup> G.T. Williams, *Economic Geology of New Zealand* (Melbourne, 1965), p. 122.

Williams' report was never released, not even after operations ceased, and instead the company's 'good news' policy continued. In July it announced the discovery of the 'valuable and rare element Germanium', particularly needed in transistors, its first discovery in New Zealand.<sup>395</sup> Four days later, a *Te Aroha News* editorial noted the 'distinct possibility' that the mountain might 'again produce something of real wealth and value to the economy', creating 'another mining boom' for the township, for the company's 'extensive tests' had revealed that base metals, for which there was a world-wide demand, were 'present in fairly large deposits'. Should it decide that the project warranted 'developing into a major undertaking', Te Aroha would 'experience far greater prosperity of a permanent nature than it did during the short lived gold era' of the 1880s. Careful testing meant the field had 'never been so thoroughly explored before', and by using modern machinery and obtaining the best technical advice the project was 'well organized' and worked 'in a thorough, efficient and very methodic manner. With any reasonably good chance, the company should experience the success it rightly deserves'. The newspaper was certain the mine would not have any 'detrimental effect on the borough's welfare', a reference to the still-simmering issue of pollution, and commended the company's 'initiative', hoping 'that the painstaking effort and the years of work that have already gone into it will ultimately be crowned with success'.<sup>396</sup>

#### RAISING MORE CAPITAL AND DEVELOPING PLANS

Between 25 September 1951 and 22 July 1952, another 19,640 shares were allotted, meaning all the capital of £50,000 was subscribed. Like their predecessors, none of the new shareholders were connected with mining.<sup>397</sup> Another Te Aroha resident acquired an interest, the last to do so. Despite local enthusiasm, only ten residents had bought shares, value £2,400, an amount inflated by one farmer who acquired 1,000, the largest number

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<sup>395</sup> *Te Aroha News*, 11 July 1952, p. 5.

<sup>396</sup> Editorial, *Te Aroha News*, 15 July 1952, p. 4.

<sup>397</sup> Auckland Smelting Company, Return of Allotments to 9 October 1951, 16 November 1951, 11 February 1952, 8 April 1952, 5 June 1952, 22 July 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A; *Te Aroha News*, 8 August 1952, p. 5.

bought by anyone apart from Dunsheath's brother.<sup>398</sup> The annual return of 24 July 1952 reported that £38,321 10s of the nominal capital had been called up; calls amounting to £6,679 10s were unpaid, and 100 shares had been forfeited for non-payment of these.<sup>399</sup>

The general meeting held on 10 July was informed that £11,578 15s 10d had been spent in the year to 31 March, of which £460 was the government's subsidy. The annual report, written by Dunsheath,<sup>400</sup> covered the 'considerable progress' made during the second full year of operations, including acquiring the majority shareholding in and all the assets of 'the old established Company, Hardy's Mines Limited'. Shareholders were reminded that the previous general meeting had agreed 'to obtain the services of a reputable and internationally acknowledged Consulting Mining Engineer' to inspect and make recommendations. Warrington, of a 'reliable and well-known' Sydney firm, was stated to have been 'full of enthusiasm for the Te Aroha Deposits' after his 'more or less close examination'. At Waiorongomai, he

was greatly impressed with the Hero Reef and the Colonist Reef in McLean's Level from which he duly took samples. An inspection was also made of the 1400 feet level which has been driven upon these particular Reefs, the quality and sizes of which give great promise for our future development.

Warrington 'conducted very extensive enquiries' into mining over the past 60 years and 'expressed himself as most favourably impressed with the magnitude and chances of success of the proposition and the likelihood of Te Aroha becoming a successful Mine'. The directors, having decided to carry out the first section of his 'substantial programme of further development', had requested a subsidy. 'Replying to our overtures the Government has granted us a further subsidy to cover the additional work we have now undertaken. Also, the government has offered the company an interest free loan for ten years which we have decided to accept'. (The 'further subsidy'

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<sup>398</sup> Auckland Smelting Company, Returns of Allotments to 31 July 1950, 20 February 1951, 13 August 1951, 9 October 1951, 26 November 1951, 22 July 1952, 19 January 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>399</sup> Auckland Smelting Company, Annual Return, 24 July 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>400</sup> B.J. Dunsheath to C.H. Benney, 21 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

was really a continuation of the original one, being paid for the completion of No. 5, and the amount of the loan was not indicated; perhaps being only £2,000 it would not have impressed the shareholders.)

In No. 5, 'at about 600 feet a 5ft wide Reef was cut with great satisfaction to the Directors, because it proved conclusively that their foresight was justified, for here lies proof that the mineralised Zone "lives" down to that particular depth'. (As an analysis of this reef had not been received, it was premature to claim that good ore was to be found at depth.) After driving about another 100 feet, they expected to cut the Champion lode. As well, preparations were being made to drive north and south on the reef cut in No. 4, and the road had been extended to its portal. The Dominion Laboratory's analysis of the reef in this level revealed it contained 25.7 per cent lead, zinc 33.5 per cent, copper 2.1 per cent, and 'smaller amounts' of gold and silver.

We have now made tentative arrangements to deliver a quantity of Ore from our No. 4 Level to a Treatment Plant where our peculiar type of Complex Ore can be treated successfully with Selective Flotation Equipment. Naturally an operation of this kind calls for a great deal of planning but we are convinced that we shall be able to do what we have embarked upon, and see results of this Treatment on a Pilot Plant Scale within a few months.

They were negotiating with the Mines Department about extending No. 5 to the Ruakaka reef, which would give backs of almost 1,000 feet; 'when proved', these would mean 'a very substantial reserve of Ore'. The 'extensive scheme of development' recently commenced was 'already moving well ahead' with 'the benefit of advice and help from leading Technical men comprising both Geologists and Mining Engineers and in every direction' the company had received 'the utmost co-operation and encouragement'.<sup>401</sup> (As the directors revealed neither the number of advisers nor their advice it is impossible to know whether their advice was indeed so positive or whether at least some of them shared Williams' gloomier prognostications. Nor did they mention that the company could afford to employ only seven

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<sup>401</sup> Auckland Smelting Company, Annual Report for General Meeting of 10 July 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

men.)<sup>402</sup> The about 40 shareholders present gave ‘a most enthusiastic reaction’ to this report, according to Dunsheath.<sup>403</sup>

### DISPUTES ON THE BOARD

At this annual general meeting, the number of directors was increased from four to six, all current directors retiring and offering themselves for re-election.<sup>404</sup> In the absence of Fletcher, Julius McLachlan Hogben, the company’s solicitor,<sup>405</sup> chaired the meeting, and was elected chairman of directors. Dunsheath, who remained managing director and vice-chairman,<sup>406</sup> was joined on the board by Alfred Henry Crawford, Frederick Sedgwick Stevens, and Charles Oliver Gibbs, all of Auckland.<sup>407</sup> Crawford was managing director of a canvas goods manufacturing firm; when he died in 1954 he left an estate valued under £45,000.<sup>408</sup> Stevens was an engineer,<sup>409</sup> and Gibbs a retired farmer.<sup>410</sup>

Impey and Littlejohn were not re-elected, and after Fletcher, who had been chairman of directors, resigned the day after this meeting he told Benney about dissention within the directorate, providing a context for Dunsheath’s attempt to replace McAra with Burton. He had been unable to attend the meeting, at which he was re-elected with the maximum number

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<sup>402</sup> *AJHR*, 1953, C-2, p. 34.

<sup>403</sup> B.J. Dunsheath to C.H. Benney, 21 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>404</sup> Auckland Smelting Company, Annual Report for General Meeting of 10 July 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>405</sup> See *New Zealand Herald*, 1 June 1934, p. 14, 20 June 1934, p. 12, 27 September 1934, p. 12, 15 September 1941, p. 2; *Auckland Star*, 2 October 1935, p. 8, 5 May 1937, p. 8, 21 May 1938, p. 12, 29 September 1938, p. 24, 31 October 1940, p. 8, 17 February 1943, p. 5; probate of Julius McLachlan Hogben, Probates, BBAE 1570, 1243/74, ANZ-A.

<sup>406</sup> Memorandum by Auckland Smelting Company, 24 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>407</sup> *Te Aroha News*, 8 August 1952, p. 5; Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>408</sup> Death Certificate of Alfred Henry Crawford, 23 January 1954, 1954/24644, BDM; Probate of Alfred Henry Crawford, Probates, BBAE 1570, 204/1954, ANZ-A; *New Zealand Herald*, 21 January 1954, p. 8.

<sup>409</sup> See Probate of Frederick Sedgwick Stevens, Probates, BBAE 1570, P1265/1987, ANZ-A.

<sup>410</sup> See Probate of Charles Oliver Gibbs, Probates, BBAE 1570, P1292/1968, ANZ-A.

of votes. Littlejohn and Impey had been defeated because ‘Dunsheath considered it necessary not only to ensure the defeat of these two Directors (who, in my opinion, have done a good job of work) but also to ensure that the four new members of the Board were elected by himself and his associates’. Accordingly, Fletcher had resigned, and was no longer actively associated with the company.<sup>411</sup> As an indication of his attitude to this venture, when an authorized account of Fletcher’s life was published in 1970 his involvement was not mentioned.<sup>412</sup>

Ten days later, Dunsheath gave his version of events. Fletcher had ordered a letter read asking for the re-election of the existing directors and the election of his brother-in-law, Dr Arama Thomas Begg,<sup>413</sup> who had taken up 400 shares in May,<sup>414</sup> and Hugh Douglas Guthrie, director of the Guthrie Bowron paint company,<sup>415</sup> who managed the BALM paint company under the chairmanship of Fletcher. (Only one other investment by Begg has been traced: in New Zealand Weaving and Spinning Mills in 1934.)<sup>416</sup>

This voting is a democratic matter, but Sir James insisted that Messrs Littlejohn and Impey, who follow Sir James’ every whim, and two of his outside supporters be given the votes. My friends and I had the power (by paid-up shares), and voted for four new men holding the necessary share qualifications. Sir James and I were also elected, but the former gentleman has written strongly worded letters [which have not survived] objecting to the swing of votes against the Fletcher Holdings Group.

Sir James states to me in his letters that he is specially writing personally to you so you will know he is not at the head of the Company as a result of this slight, and if his intention is to injure

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<sup>411</sup> James Fletcher to C.H. Benney, 11 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>412</sup> Robinson, *James Fletcher: Builder*.

<sup>413</sup> See probate of Arama Thomas Begg, BBAE 1570, P2347/1976, ANZ-A.

<sup>414</sup> Auckland Smelting Company, Return of Allotments to 5 June 1952, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>415</sup> See *Auckland Star*, 11 August 1934, p. 4; *New Zealand Herald*, 12 October 1934, p. 5; *Evening Post*, 15 June 1935, p. 12, 8 February 1938, p. 10; probate of Hugh Douglas Guthrie, Probates, BBAE 1570, P1915/1960, ANZ-A; Google.

<sup>416</sup> *Auckland Star*, 24 October 1934, p. 12.

our standing in your opinion, we feel you will have the capacity to judge the matter quite independently.<sup>417</sup>

The reasons for the conflict were not revealed in either Fletcher's or Dunsheath's letter.

### SEEKING FUNDS, SEEKING THE REEF – AND LOSING A MANAGER

At the beginning of July, the company raised the issue of the £2,000 interest-free loan. According to Gick, 'subsequent events showed that the loan was not at that time necessary and we requested that the grant should be held over until such time' as required. As that time had come, Benney was asked to 'expedite the approval of the grant on the same conditions as before'.<sup>418</sup> He so instructed the Crown Solicitor, making 1 January 1954 the date for the first annual repayment of £400.<sup>419</sup> Not until December did the company provide the debenture that enabled the loan to be provided.<sup>420</sup> On 29 July, when Halstead introduced Dunsheath to Sullivan, he requested a subsidy of £3 per foot for driving 400 feet south on No. 4, making connections between Nos. 4 and 5 estimated at another 400 feet, and for driving No. 5 another 575 feet to the Ruakaka reef, all of which would add £4,125 to the £2,400 already granted. Furthermore, he sought an interest free loan of £15,000. Landreth noted that 'the Hon Minister was not particularly encouraging'.<sup>421</sup>

Dunsheath provided copies of McAra's sketch plans of work both done and planned, which showed that the drive had changed direction towards the Ruakaka reef, and at 910 feet had almost cut what was named as the

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<sup>417</sup> B.J. Dunsheath to C.H. Benney, 21 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>418</sup> T.L. Gick to C.H. Benney, 1 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>419</sup> C.H. Benney to G.S.R. Meredith (Crown Solicitor, Auckland), 7 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>420</sup> G.S.R. Meredith to C.H. Benney, 3 December 1952; C.H. Benney to G.R.S. Meredith, 11 December 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>421</sup> R.F. Landreth to C.H. Benney, 30 July 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

Champion reef.<sup>422</sup> At the beginning of September, Scoble reported that he had been informed by telephone that Burton had become mine manager, McAra having resigned and left for Australia.<sup>423</sup> In reminiscences written in 1985, McAra wrote that, after cutting the Champion reef he had turned the crosscut 'slightly to the right on the line for the Ruakaka and reached approximately a thousand feet from the portal when owing to a disagreement with the managing director I resigned'.<sup>424</sup> Conflict had been caused in part over the direction of the No. 5 drive, as indicated in Dunsheath's letter of 10 June. Eric Coppard, who worked in this level during the 1960s and 1970s, described how the drive, after swinging to the right, suddenly 'swung back to the left again, more in an easterly direction'. He understood that

there had been a disagreement as to the direction that that drive should go in looking for the Ruakaka reef. Bert felt that they were going the wrong way and had advised them to turn to the right and head south at that first bend ... but unfortunately the management from the Board came down and they decided that he was going in the wrong direction, and they had to turn back. So you had this dog leg in the mine.<sup>425</sup>

As for the disagreement over whether the Champion reef had been struck, Landreth reported later in the year that, as the No. 5 level had been driven 925 feet without striking another lode, the reef had indeed been the Champion, its dip having 'flattened somewhat between the levels to allow for the slight displacement'.<sup>426</sup> It was described by McAra's son as 'perhaps a metre wide, with a trace of mineralization along one edge'. From the moment it was struck, 'Bert's demeanour mirrored the company's disappointment at the find. The scant mineralization of the reef meant that

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<sup>422</sup> [J.B. McAra], 'Tui Mine Workings Looking North-East, August 1952'; Sketch Plan, Tui Mines, Five Levels Driven, August 1952', Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>423</sup> E.J. Scoble to C.H. Benney, 3 September 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>424</sup> McAra, 'Recollections', p. 4.

<sup>425</sup> Interview with Eric Coppard, 4 August 1985, Waihi, pp. 88-89 of transcript.

<sup>426</sup> R.F. Landreth to C.H. Benney, 8 September 1952, 16 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

the mine would not have a future. Bert discussed this with Dunsheath, via regular nightly phone discussions<sup>427</sup>.

The immediate issue that prompted McAra to resign was an ethical one, as he explained in 1985:

I resigned because the managing director ... wanted me ... to take *his* samples and send them away to the DSIR [Department of Scientific and Industrial Research] and get them analyzed for propaganda purposes, you know, for raising money....

I said, "No, I must take the samples myself," and he and his henchmen had gone up the mine and taken these samples and they wanted me to send them away as genuine samples. "No, I must take the samples myself, you can't do that." Oh, well, of course, that was the start of an argument and so far as I was concerned that was the finish. And I just told him, "Well, I'm finished"....

Well, my ticket was at stake, you see. If one of those DSIR men had come up and taken a sample, and it was a quarter of what I'd taken, he'd have said, "I don't think much of your mine manager."<sup>428</sup>

Peter McAra, then aged 14, recalled this conflict between his father and Dunsheath:

Then the story took an interesting turn. Although Bert attempted to keep it a secret from his family, Dunsheath directed him to lie to all concerned about the mine's prospects, even down to falsifying assay results. The mine would go ahead....

Bert took a strong stand from Day One. He would refuse to lie about the reef's potential. Very soon, Bert was told that if he didn't go along with ASC's directive, he'd be sacked. The family, just beginning to settle into Te Aroha after the move from Waihi, would have to move once again.

Bert stuck to his principles. One of his treasured mementos from that time was a letter from ASC's chairman, Sir James Fletcher.... The message of that letter was "I'm sorry that you made your decision not to go along with the company's plan, but I must complement you on your honesty. I'd have done the same."<sup>429</sup>

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<sup>427</sup> Peter McAra, p. 2.

<sup>428</sup> Interview with J.B. McAra, 4 August 1985, at Waihi, pp. 42-43 of transcript.

<sup>429</sup> Peter McAra, pp. 2-3.

Another recollected version of Fletcher's letter, long since lost in the McAra family's many moves, was: 'Sorry to see you go, and I'd have done the same. I like your taking a stand on a matter of principle even though it cost you your job'.<sup>430</sup>

(If Dunsheath did intend to produce fraudulent assays, there is no evidence of this happening, for no assays provided to the department or publicly released had questionably high values. Perhaps he came to understand McAra's point of principle. On the other hand, lack of evidence does not mean that he did use such assays when seeking capital but simply that the department was not aware of his behaviour.)

As a footnote to the issue of McAra's competence, when Benney recommended in November 1953 that he become an Inspector of Mines and Quarries he did so after receiving a report from Landreth that McAra's work for the Auckland Smelting Company 'was sound, and he gave the impression of being conscientious. He has had managerial experience both in New Zealand and overseas and his educational background is as good as any other applicant'.<sup>431</sup> McAra, after some time in Western Australia and Tasmania,<sup>432</sup> returned to New Zealand in 1956 as Inspector of Mines and Quarries, based at Huntly,<sup>433</sup> a post he held for 19 years. He was also a member of the Australasian Institute of Mining and Metallurgy, and a member of the board of examiners that assessed candidates for mine managers' certificates. After retiring as Inspector of Mines in 1973, later in that decade he managed the re-opened Waihi mine for three months.<sup>434</sup> His history of mining at Waihi illustrated his superb technical competence.

## MONEY TROUBLES CONTINUE

At the beginning of September, Dunsheath and Hogben, in almost identical letters, informed Sullivan that its capital of £50,000 was now paid up. They claimed that both American and Japanese interests wanted to

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<sup>430</sup> Peter McAra to Philip Hart, 28 October 2014, email.

<sup>431</sup> Memorandum by R.F. Landreth, 13 November 1953; C.H. Benney to Secretary, Public Service Commission, 23 November 1953, Mines Department, MD 1C, 2/80, Part 2, ANZ-W.

<sup>432</sup> See Peter McAra, 'Turgid Times – the McAra Family's Trans-Tasman to-and-fro life, 1952-3' (unpublished article, 2014), pp. 1-2.

<sup>433</sup> *AJHR*, 1957, C-2, p. 46.

<sup>434</sup> 'Obituary - Bert McAra', p. 47.

purchase the ore, on generous terms. The Americans were willing to purchase all the concentrates they could supply, and Japanese smelters had offered 'to take as much ore as we can send on terms that they pay freight and the cost of extraction and give us half the metals extracted, or their value'. As the shareholders (he stressed there were 300) preferred to treat the ore in New Zealand, it was necessary to 'conduct a major scheme of development' such as recommended by Warrington. A total of £21,000 was requested, comprising £6,000 to continue subsidizing crosscutting and £15,000 as an interest-free loan (it was noted that £2,000 had already been approved). Details were given of how the mine would save millions of pounds in overseas exchange within a few years and the 'many millions of tons' of ore would prevent shortages in time of war, as in previous wars. They hoped 'favourable consideration' would be given, soon, as their plans were 'materially dependent upon your decisions'.<sup>435</sup>

Six days later, Landreth reported that assays of the Champion lode in No. 5 level revealed values to be 'too low to be of economic value, but before abandoning hope the lode should be driven upon' using the subsidy. Until this was done, 'the question of additional financial assistance' did not arise.<sup>436</sup> Despite these assays, after a directors' meeting Halstead told Landreth that they wished to interview Sullivan; Landreth preferred them to meet Benney, commenting that instead of their latest request 'they would be satisfied with an increase in the interest free loan from £2000 to £5000 and a subsidy of £3 a foot' for driving 400 feet in No. 4.<sup>437</sup> To strengthen the company's case, Hyde visited the mine at its expense, and a copy of his report was sent to the department. Hyde claimed that the *Geological Survey* had been far too negative about the potential of the reefs. After describing his prospecting and the quality of the ore he had extracted, he recommended extending No. 4 to strike the Champion lode, from which he had obtained 'very high grade' specimens 25 years previously.<sup>438</sup> (Hyde was

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<sup>435</sup> B.J. Dunsheath to William Sullivan, 2 September 1952; Julius Hogben to William Sullivan, 2 September 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>436</sup> R.F. Landreth to C.H. Benney, 8 September 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>437</sup> R.F. Landreth to C.H. Benney, 11 September 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>438</sup> G.E. Hyde to Auckland Smelting Company, 5 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

still not sufficiently enthusiastic to become a shareholder.)<sup>439</sup> The company sent his report to Sullivan as proof of the directors' wisdom in requesting large-scale aid.<sup>440</sup>

After Landreth's inspection on 22 and 23 September, accompanied by Hogben, Dunsheath, and a member of the Geological Survey, he reported that 'there was little to see beyond what had been available for inspection' in January. The reef cut in No. 5 was 'only weakly mineralized', assays giving two per cent for zinc and lead and half of one per cent for copper making it 'not payable at this point'. As there was disagreement about whether this was the main Champion reef, the crosscut had been driven to 750 feet.

At this point it was decided to change the direction of the crosscut in order to reach the Ruakaka reef in the shortest possible direction, and the crosscut has been driven an additional 175ft in this direction, making a total distance of 925ft without intersecting any further reef. The country rock traversed has been hard throughout and alteration and propylitization has been slight and generally is not favourable to a reef of economic value. In the meantime the company had arranged for a survey of the bottom levels by a firm of registered surveyors.

As the company's position was 'inseparable from development by low level crosscuts without adequate exploration at higher levels', he recommended it should confirm the existence of another reef 'most speedily and effectively' by reverting to the former course of No. 5 and extending it for from 50 to 75 feet. He did not expect another reef to be found, removing the need to extend No. 4 to search for one. There were 'two obvious courses':

(1) to extend the crosscut to intersect the Ruakaka reef in the hope that conditions at depth are more favourable with this reef than with the Champion. Under the circumstances it seems reasonable to assume that similar conditions will prevail and the chances of improvement are no better than chances of greater impoverishment.

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<sup>439</sup> Auckland Smelting Company, Return of Allotments, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>440</sup> Julius Hogben to William Sullivan, 15 October 1952, enclosing G.E. Hyde to Auckland Smelting Company, 5 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

(2) to explore the reef already intersected by driving along it in either direction on No. 5 Level so as to adequately test the reef. If no improvement is met with in these drives it can then be assumed that there is no possibility of developing ore at this level. This to my mind would be crucial, as if ore cannot be developed at No. 5 Level it will be impossible even if good ore exists at upper levels to develop a sufficient overall tonnage to justify the erection of a treatment plant to separate zinc, copper and lead concentrates. Unfortunately it has not been appreciated by the company that a mixed sulphide ore is of no value unless it exists in sufficient amount to warrant a treatment plant.

Smelters are not interested in the purchase of such ores....

The value of the Te Aroha property accordingly depends on the chances of proving up sufficient tonnage of ore of sufficient width to allow of economic mining. At the moment the chances of doing so do not appear bright.... I was disappointed on my first visit in January to find no evidence of continuous sulphide ore. Rather, the Te Aroha occurrence appears to run true to the type of the Hauraki field generally and the sulphides occur in bunches.

Concerning financial assistance, none of the subsidy of £3 a foot for 800 feet had been claimed, and of the first grant of £2 a foot for 500 feet driven payment had been made on 350 feet and the balance had been claimed. The interest-free loan had not been taken up, and despite the offered subsidy the reef in No. 5 had not been driven on. As driving 800 feet 'should allow the value of the area to be assessed', until it was completed 'no further assistance could be contemplated'; yet he was willing to see part of the subsidy diverted to enable the crosscut to cut another reef. He expected the company would prefer to drive on No. 4 where the prospects were 'more attractive', and Landreth was 'willing to agree to this' or to driving on reefs in Nos. 4 and 5. Increased assistance should not be considered until these developments were completed. As the circumstances on which the interest-free loan was offered no longer existed he did not recommend increasing the amount.<sup>441</sup> Had it read these views, the company would have protested: on the previous day Hogben had urged Sullivan to 'consider our application as quickly as possible because success or failure depends in a considerable measure upon the amount of encouragement we receive from the

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<sup>441</sup> R.F. Landreth to C.H. Benney, 16 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

Government'.<sup>442</sup> Benney listed for Sullivan the grants and subsidies made already: £500 towards constructing the road, £1,000 to subsidize 500 feet of crosscutting, both claimed, and a loan of £2,000 and a subsidy of £2,400 to drive 800 feet, neither yet claimed. He enclosed and summarized Landreth's report, and agreed to its recommendations, as did Sullivan.<sup>443</sup> In informing Hogben, Sullivan said he could consider further aid once the present work was completed.<sup>444</sup>

In November, Dunsheath used official visits to support his request for protection of a prospecting license:

The Company has at all times kept the Mines Department fully informed of the work being done and has had the benefit of advice from officers of that Department. One of whose senior officers in company with a Government Geologist recently inspected the work which had been done and was in progress and traversed and examined other parts of the Company's areas to which the present work will extend. It was subsequent to this inspection that the further financial assistance was given.<sup>445</sup>

In the following month, Dunsheath, when asking for the £2,000 to be paid before Christmas, told Benney that in January he would ask shareholders to approve increasing the capital to £75,000. 'You will be interested to know we already have some verbal applications for shares in the new issue'.<sup>446</sup>

### 1953

In February, Burton, now 'Acting Manager', asked whether Ray McEnteer could be given a provisional second class certificate to enable him

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<sup>442</sup> Julius Hogben to William Sullivan, 15 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>443</sup> C.H. Benney to William Sullivan, 22 October 1952; memorandum by William Sullivan, 23 October 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>444</sup> William Sullivan to Julius Hogben, 7 November 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>445</sup> Te Aroha Warden's Court, Mining Applications 1953, 33/1953, BCDG 11289/4a, ANZ-A [punctuation added].

<sup>446</sup> B.J. Dunsheath to C.H. Benney, 10 December 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

to supervise 12 men as underground manager. Raymond Dalton McEnteer, of Waihi,<sup>447</sup> had been a miner for 30 years, for some years as a shift boss in the Martha, and had tickets for underground and surface quarry work.<sup>448</sup> But because he was not certified, the department could not permit him to be in charge of the mine.

In mid-January, Dunsheath informed the department that new contractors had started work in the two levels, he hoped to have two shifts at work shortly, and he would appoint an experienced assayer. His brother, Percy Dunsheath, CBE, MA, Doctor of Engineering and Doctor of Science, a director of many British companies, had visited New Zealand over Christmas and spent several days 'studying our proposition at Te Aroha and also became very favourably impressed with the Waiorongomai Reefs. He carried out the most intensive examination made by any other person during my four years association with the ground', and as a result would invest £1,000. 'He said we are only playing with what he considers to be a first class exploration'.<sup>449</sup> On 30 March, Percy Dunsheath was indeed allotted 1,000 shares, one of only two such large holdings.<sup>450</sup> Whether he was a competent judge of mining is not known, but he was certainly a highly competent engineer. In 1945, when he was chief engineer of W.T. Henley's Telegraph Works Company and president of the Institute of Electrical Engineers, it was reported that he had played a major part in defeating Germany's magnetic mines.<sup>451</sup> He was the editor of a history of technology from 1851 to 1951 and the author of a history of electrical engineering.<sup>452</sup>

Benney told Dunsheath he was 'disappointed' he had not reported the outcome of extending No. 5 to 1,000 feet and requested confirmation that as

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<sup>447</sup> See *Tauranga Electoral Roll, 1946*, p. 142; probate of Raymond Dalton McEnteer, BAZY 4992, 831/1983, ANZ-A.

<sup>448</sup> W.H. Burton to C.H. Benney, 6 February 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>449</sup> B.J. Dunsheath to C.H. Benney, 19 January 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>450</sup> Auckland Smelting Company, Return of Allotments to 14 April 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>451</sup> *New Zealand Herald*, 25 September 1945, p. 7.

<sup>452</sup> *A Century of Technology, 1851-1951*, written by specialist authors under the editorship of Percy Dunsheath (London, 1951); Percy Dunsheath, *A History of Electrical Engineering* (London, 1962).

no reef had been cut the company would now drive on the reef cut 600 feet from the portal.<sup>453</sup> Unusually, it took almost two months before Dunsheath responded, in a letter to Sullivan explaining that No. 5 had been extended by 205 feet to 1,155 feet, 'at which point we decided to stop crosscutting for the present', despite the stone being 'favourable and mineralised'. Having passed the surveyor's 'anticipated reef position' in this level, they would drive in No. 4 before returning to No. 5. It was hoped to cut a reef soon; if unsuccessful, or their 'first class' assayer discovered it had low values, they would drive on the reef cut 380 feet from the portal. He claimed the 'several hundred shareholders' were 'very enthusiastic'; 'several' were 'mining men' who believed there was 'a fair chance of meeting with success'. (There were no indications in the lists of shareholders that any were 'mining men', apart from one retired miner, although some may have held interests in other mining companies.) Again claiming that his mine could 'become vital to New Zealand's economy!' and that it was 'a truly National Project', he stated that many of the existing shareholders were acquiring more shares.<sup>454</sup> (If that was the case, it was through purchases that were not recorded in the allotments reported to the Companies Office: none of those who took up shares in 1953 had held interests previously.)<sup>455</sup> He again requested a subsidy for driving.<sup>456</sup>

In a letter drafted by Landreth, Sullivan regretted the results had been 'so disappointing' in No. 5 and declined to grant a subsidy. When the directors had interviewed him in early November, Sullivan 'thought that the position had been made quite clear to you and that agreement had been reached as to the programme of work which would carry subsidy'. Despite his department not being 'sanguine as to the existence of another reef', because of 'a margin of doubt and to clear up the position' it had agreed to subsidize crosscutting. 'It was expressly stated at the interview that if the extension of No. 5 crosscut to 1000 feet did not disclose the existence of another reef, no useful purpose would be served in the extension of No. 4

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<sup>453</sup> C.H. Benney to B.J. Dunsheath, 28 January 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>454</sup> B.J. Dunsheath to William Sullivan, 23 March 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>455</sup> Auckland Smelting Company, Returns of Allotments 14 April 1953, 8 May 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>456</sup> B.J. Dunsheath to William Sullivan, 23 March 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

crosscut in search of the same reef as this would only be duplication of the work carried out at No. 5'. Noting that Dunsheath had twice delayed providing information about the latter, he commented that the directors had clearly decided to extend No. 4, as, 'of course, they were fully entitled to do, without advising the Department, but it must have been done in the full knowledge that no subsidy had been agreed upon for such work'. The department believed 'an adequate test of the possibilities of your area cannot be made until the reef has been driven upon for some distance and the reef so exposed systematically sampled and assayed'. The subsidy would be paid upon completion of this work.<sup>457</sup>

One month later, Dunsheath explained to Benney and Sullivan that No. 5 had been driven to 759 feet, where the direction was changed to the south-east; after driving in that direction for 230 feet, it was 'decided to discontinue this angle driving and instead step back 15 feet to 974ft and at this point strike off to the Northern side of the Drive and continue parallel to the original' direction. This portion of the drive was in 196 feet, making a total length 'apart from the 15ft standby' of 1,170 feet. 'Three or four Mineralised Reefs' had been cut in No. 5, but none had been driven upon because 'the last 60 or more feet has passed through a different type of Country' which was 'most promising as an indication of the proximity to the Reef' the surveyors had indicated. Instead, they had extended No. 4 to 580 feet, cutting 'one important Reef and several smaller ones'. They had driven about 40 feet north and 25 feet south on the major reef, had started sampling, and expected the results from 'our own Laboratory' within days.<sup>458</sup> As Landreth interpreted this letter as meaning that 'nothing of importance' had been discovered in No. 5 the new mining inspector, Reginald Campbell Ruffin,<sup>459</sup> was to examine the workings 'at first opportunity'.<sup>460</sup>

The logic for changing the direction of No. 5 crosscut was elusive, and in fact they were nowhere near the reef. McAra, who had recommended the

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<sup>457</sup> William Sullivan to B.J. Dunsheath, 7 April 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>458</sup> B.J. Dunsheath to C.H. Benney, 8 May 1953; B.J. Dunsheath to William Sullivan, 8 May 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>459</sup> See Monthly Reports, Inspectors of Coal Mines, AATJ 3391, CH855, 34/d, GR 11/5, Part 1, ANZ-C; probate of Reginald Campbell Ruffin, BCDG 4421, 241/1965, ANZ-A.

<sup>460</sup> Memorandum of R.F. Landreth to C.H. Benney, 11 May 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

change of direction to the south-east, wrote in 1985 that, after he left the company, ‘an abortive attempt to locate the Ruakaka reef was made and over a hundred feet of driving in the wrong direction was done. The reef was located by another company [Norpac] some years later, by Diamond Drilling, exactly where I had predicted’.<sup>461</sup> He described the company’s driving after he resigned as ‘blind stabbing’.<sup>462</sup> In an interview later that year, McAra explained that he had surveyed the reefs and cut the Champion:

Now the shortest distance to the Ruakaka was at right angles, wasn’t it, so I turned it at right angles to the bearing that I had here and drove about a hundred feet, then I left. Then this other fellow [Burton?] took over from Auckland, an adviser to the Managing Director he was, and he drove ... parallel with the reefs. You’d never have got there. And anyhow when Norpac came along they set up a diamond drill at the end of the face where I’d stopped and they put in four hundred feet which was what I’d calculated it would be when they cut the Ruakaka reef. And Dr [Arthur] Pentland [a Canadian geologist who advised Norpac]<sup>463</sup> said to me at the time, he said, “You were bang on.” Well, I couldn’t go wrong... I’d surveyed the thing and it was all compass work and the needle couldn’t tell lies, could it? There it was at right angles to that bearing, it had to be.<sup>464</sup>

Coppard, who was involved in proving that he had been right, described No. 5 as having ‘this dog leg’ because of the change of direction made after McAra left:

Well when we came in [to the drive] the geologist Dr Pentland felt that the direction that McAra had told them to go in was correct. He felt this from his own surface observations and his own compass and map work, with the result that we put a diamond drill in there and we drilled a flat hole in ... what was left of the old face.

After 300 feet of drilling, the Ruakaka reef was intercepted. ‘So there was quite a fair bit of joy and jubilation on this because Bert McAra was

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<sup>461</sup> McAra, ‘Recollections’, p. 4.

<sup>462</sup> J.B. McAra to Philip Hart, 1 March 1985.

<sup>463</sup> See paper on pollution and Norpac’s mine at Tui, Te Aroha.

<sup>464</sup> Interview with J.B. McAra, 4 August 1985, pp. 45-46 of transcript.

now the Inspector of Mines for the district and he felt really vindicated that his - after all these years - his judgment was correct'.<sup>465</sup>

At the end of May, 35 hundredweight of ore was sent to Japan for testing.<sup>466</sup> Late that month, a Christchurch newspaper reported that, as well as lead, zinc, and copper, the property included germanium, a mineral 'attracting much interest in the United States' because it might 'replace the normal type of radio valve. For this reason an American company has shown considerable interest'. It noted that although the government knew of the existence of these metals, 'nothing has been done about their extraction' apart from subsidizing road making and drilling and offering an interest-free loan. The company would sell out to a larger one once the value of the ore had been proved.<sup>467</sup> This article prompted Landreth to comment to Benney that Dunsheath was 'apparently doing some publicity work to help sale of shares and has quoted Government assistance as a selling point'.<sup>468</sup> In the following month, a Labour Party newspaper, citing this article, complained of a 'handsome Nationalist gift to a private company': 'substantial sums' would benefit it but not the country. The public was 'entitled to a full explanation from the Nationalists about the Government's extraordinary role in this scheme'.<sup>469</sup>

In mid-June, Landreth was telephoned by Gick 'to advise that the company was financially embarrassed', its attempts to raise more capital have achieved 'disappointing' results.

Accordingly, it had been decided to put out a prospectus and make an organized effort to raise capital. This would take time, and in the meantime the company lacked the money to tide them over. A contract had been let for driving 500 feet, and they were liable to be sued if they broke it. Therefore he requested a loan of £1,000. The assets of the company were worth only £15,000, the main asset being the house and grounds at the foot of the hill in which the contractor is now resident.

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<sup>465</sup> Interview with Eric Coppard, 4 August 1985, pp. 89-90 of transcript.

<sup>466</sup> B.J. Dunsheath to C.H. Benney, 29 May 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>467</sup> *Christchurch Star-Sun*, 21 May 1953, p. 11.

<sup>468</sup> R.F. Landreth to C.H. Benney, 10 June 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>469</sup> Press cutting from *Standard*, 10 June 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

Landreth could not 'be optimistic' about the company's prospects because the 'sharp decline in the price of lead and zinc' meant its position was 'accentuated'. Development had produced disappointing results, and a considerable sum was needed to expand operations. An additional loan of £1,000 was 'only tidying them over for a period when the same position must be faced again'.<sup>470</sup> Benney agreed, and the request was declined.<sup>471</sup>

In the first six months of the year, 463 1/2 feet were driven, of which 321 1/2 were crosscutting and the balance was driving on the reef in No. 4.<sup>472</sup> At the end of June, Ruffin authorized payment of £576 for work done.<sup>473</sup> Gick declared in July that there had been surface prospecting over all the ground during the past year, without giving indicating the amount of such work,<sup>474</sup> which in fact had been minimal.

After Ruffin visited the mine on 18 June, he informed Landreth that only two men were working underground, 'starting to raise on reef' in No. 4, and another two were working on the surface. Driving north on the reef had revealed a reef with stringers of lead ore, its prospects looking 'fairly good' provided values were satisfactory. As this was his first, preliminary, visit, he failed 'to understand why prospecting has not been confined to this end'. An inspection should be made before another subsidy was granted.<sup>475</sup> Landreth responded that if ore was 'confined to North end chances of proving tonnage of economic amount' were 'hopeless'.<sup>476</sup>

After Guthrie, now acting chairman of directors, interviewed Landreth in late June, the latter minuted that it now appeared the reef struck in No. 5 was barren and the only possibility of finding good ore in No. 4 was in its

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<sup>470</sup> R.F. Landreth to C.H. Benney, 16 June 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>471</sup> C.H. Benney, memorandum of 16 June 1953; C.H. Benney to T.L. Gick, 18 June 1953 (telegram), Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>472</sup> *AJHR*, 1954, C-2, p. 41.

<sup>473</sup> Memorandum by R.E. Ruffin, 29 June 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>474</sup> Te Aroha Warden's Court, Mining Applications 1953, 15-17/1953, BCDG 11289/4a, ANZ-A.

<sup>475</sup> R.E. Ruffin to R.F. Landreth, 22 June 1953, Mines Department, MD 1, 23/1/1218, Part 2, ANZ-W.

<sup>476</sup> R.F. Landreth to C.H. Benney, 25 June 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

northern portion, meaning there was ‘no prospect of developing sufficient tonnage’. To justify erecting a plant required from 100,000 to 150,000 tons of ore and the smallest amount that could be profitably treated was 50 tons a day. There was no prospect of selling the ore overseas ‘at a price which would meet mining costs’, and as there was ‘no market for complex ores containing lead, zinc and copper’ it ‘would be wise for the company to call it a day and cut its losses’. As the subsidy had provided the geological knowledge the department wanted, he recommended cancelling the amount unspent; the company’s assets would enable it to pay its debts and repay the £2,000 loan. No further development was warranted, and although the life of the company could be extended until the results of overseas tests were received government assistance must not be used to raise further capital.<sup>477</sup>

#### WORK CEASES, BUT FINANCIAL PROBLEMS CONTINUE

In the year to 31 March 1953, a subsidy of £1,020 for driving was paid.<sup>478</sup> As at 1 July 1953, £2,340 18s 2d was owed to creditors, with possibly another £200 outstanding.<sup>479</sup> On 10 July, Benney told Sullivan all work had ceased and the mine was ‘on a care and maintenance basis’. The company should, he considered, sell its house and motor vehicles to repay its debts, and no more assistance should be given; Sullivan agreed.<sup>480</sup> In place of its seven employees one was retained as engineer and caretaker to maintain the plant and roads.<sup>481</sup>

In December 1952, the company had decided to increase its capital to £75,000,<sup>482</sup> and between the end of March and 8 May 1953, 2,400 shares were allotted. The new shareholders included, for the first time, two Maori,

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<sup>477</sup> T.L. Gick to C.H. Benney, 24 June 1953; R.F. Landreth to C.H. Benney, 29 June 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>478</sup> Auckland Smelting Company, Mine Development Account for year ending 31 March 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>479</sup> T.L. Gick to C.H. Benney, 2 July 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>480</sup> C.H. Benney to William Sullivan, 10 July 1953; memorandum by William Sullivan, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>481</sup> *AJHR*, 1954, C-2, p. 41.

<sup>482</sup> B.J. Dunsheath to C.H. Benney, 10 December 1952, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

both of Taumaranui and both prominent in their communities; Pei Te Hurinui Jones, a company secretary, and his adopted son Brian Hauauru Jones, a timber merchant and director of several companies.<sup>483</sup> Only 12 shareholders acquired interests, one being Percy Dunsheath, as noted; three lived in Auckland, and the remainder, presumably reflecting the sharebroker's travels, lived in Taumaranui, Taihape, Gisborne, Wairoa, and Opotiki.<sup>484</sup> Although this sharebroker was employed to sell shares on commission,<sup>485</sup> no further shares were sold, which was 'most disappointing to your Directors and has produced a critical stage in the progress of the Company'.<sup>486</sup> The annual return revealed that calls paid to 23 July had raised a total of £46,233.<sup>487</sup>

At the general meeting, held on 9 July, shareholders were not given all the facts. The directors reported that, during the year to 31 March, No. 5 was extended to 1,175 feet, while No. 4 attained 567 feet, making a total of 715 feet driven during the year at an average cost of £18 15s per foot, compared with Warrington's estimate of £21 12s. This figure was despite 'greatly increased costs' and 'substantial charges for Brokerage and chlorination' that Warrington had not anticipated. They argued that these figures proved work had 'been done efficiently and as economically as possible'. Misleadingly, they stated that all the reefs cut in No. 5 justified driving upon 'as soon as possible' and that this drive appeared to be approaching another reef; yet work had been stopped in it to move the miners to No. 4, from which several hundred tons of ore had been paddocked.

In order to assess exactly and expeditiously the value of the minerals opened up in the Company's Developments continual sampling and assaying was found to be imperative. Therefore the Company's own Laboratory has been suitably equipped and started. This work is in Charge of Mr H.S. Howarth who is fully

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<sup>483</sup> Google has details of both men.

<sup>484</sup> Auckland Smelting Company, Returns of Allotments, 14 April 1953, 8 May 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>485</sup> Auckland Smelting Company, Creditors, 1st July 1953, appended to T.L. Gick to C.H. Benney, 2 July 1953, Mines Department, MD1, 23/2/1218, No. 2, ANZ-W.

<sup>486</sup> Auckland Smelting Company, Annual Report for meeting of 9 July 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>487</sup> Auckland Smelting Company, Annual Return to 23 July 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

qualified due to his very extensive training and valuable experience gained in the United Kingdom and in several other countries. Mr Howarth in addition to being a skilled Inorganic Chemist, is a qualified Surveyor, Metallurgist and Mining Engineer, and the Company is indeed fortunate in securing his services.<sup>488</sup>

(Howarth was recalled by Eric Coppard as

working for South Pacific Mines at the Thames School of Mines back in the mid-1950s. He had an English accent [and] wore brown coloured pants with the same coloured jacket. He had a young companion with whom who appeared slow. They travel[led] on the bus from Tapu to Thames and gave the impression of either going or coming from a walk into the bush. On one occasion he told me that he knew of a mine in England which had a 10-foot face of galena and it was not economic to work it.<sup>489</sup>

Presumably he was the founder of H.S. Howarth (Plant Hire) Ltd, incorporated in England on 1 January 1970.)<sup>490</sup>

Depending on the funds available, it was planned to rise from No. 4 to No. 3 intermediate level and to use diamond drilling to prove the values.

Recently a consignment of two tons of ore from No. 4 Level was forwarded to an overseas destination and, based upon the experience thus gained, it is hoped to find either a market or a potential purchaser of some of our concessions or both.

The Company, however, is at the cross roads. Despite the full confidence of the Directors, it is not possible to carry on further without funds and the matter is one for the consideration of Shareholders.<sup>491</sup>

Were all the directors so confident, and why did they permit No. 5, allegedly so promising, to be abandoned? Perhaps at the meeting a more realistic and honest picture was drawn, for more changes in the directorate were made. Stevens had resigned in November 1952, to be replaced by John

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<sup>488</sup> Auckland Smelting Company, Annual Report for meeting of 9 July 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>489</sup> Eric Coppard to Philip Hart, 31 May 2017, email.

<sup>490</sup> 'Company Check', Google [which provides no details of its directors].

<sup>491</sup> Auckland Smelting Company, Annual Report for meeting of 9 July 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

Hector Luxford, Auckland's stipendiary magistrate for the past 23 years, one of the longest terms in New Zealand. An obituary emphasized the respect in which he was held and his 'painstaking attention to detail', which would have been useful as a company director.<sup>492</sup> In 1926 he was a foundation subscriber of the (private) Colonial Patent Cheese Hoop Company,<sup>493</sup> but no other directorship has been traced. Another director, Guthrie, had been appointed in February 1953, and, as noted, had become acting chairman of directors. When Luxford declined to stand for re-election because he was (successfully) campaigning to be mayor of Auckland, Dunsheath offered himself for re-election,<sup>494</sup> but resigned at the meeting, in unrecorded circumstances. Littlejohn and Impey returned to the board in place of these two directors,<sup>495</sup> suggesting shareholders' dissatisfaction at Dunsheath's role. In February 1953, Dunsheath transferred 250 of his shares to Luxford, which were returned in August, and in June he transferred 1,500 of his remaining 3,200 shares to Dunsheath Machinery Co. Ltd.<sup>496</sup> This firm would retain 3,000 of these now worthless shares.<sup>497</sup>

The company had always been reluctant to meet the cost of chlorinating the town's water supply, feeling that it had been 'unfairly coerced' into agreeing to do this.<sup>498</sup> By mid-year its debt to the borough council amounted to £294 0s 2d.<sup>499</sup> In July the company said it was 're-arranging the finances and anticipated being able to pay our account at an early date. It asked for the Council's co-operation and tolerance to assist them to arrange their finances'. As a consequence, councillors agreed to take

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<sup>492</sup> *New Zealand Herald*, 10 April 1971, Section 1, p. 5.

<sup>493</sup> *Auckland Star*, 2 December 1926, p. 7.

<sup>494</sup> Auckland Smelting Company, Annual Report for meeting of 9 July 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>495</sup> Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>496</sup> Auckland Smelting Company, Annual Return to 23 July 1953, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>497</sup> Company Files, BADZ 5181, box 1377 no. 5758, ANZ-A.

<sup>498</sup> Te Aroha Borough Council, Minutes of Meeting of Works Committee of 14 May 1952, Minutes of Meetings 1950-1953, p. 292, Matamata-Piako District Council Archives, Te Aroha.

<sup>499</sup> Te Aroha Borough Council, Minutes of Meeting of Works Committee of 13 August 1953, Minutes of Meetings 1950-1953, pp. 342-343, Matamata-Piako District Council Archives, Te Aroha.

no action pending this re-arrangement.<sup>500</sup> Also in July, Sullivan permitted releasing the company's house and vehicles from the Crown's security for its loan and sold to meet liabilities, but warned that 'no further assistance in any form' could be expected.<sup>501</sup>

Any optimism expressed at the annual meeting would have been dashed by the news in September that Mitsui Mining and Smelting Company, having tested the ore, had 'no interest' because they used an unsuitable flotation process. Although Mitsui reported that the ore contained 10.15 per cent lead, 29.85 per cent zinc, and 1.69 per cent copper, making it 'of a very good quality', it was uneconomic for them to import anything but a concentrate,<sup>502</sup> which they would do when Norpac later mined the same area. That the company hoped to revive was indicated in October, when Gick protested at the proposal to revoke the proclamation of the Waihou River as a sludge channel, which by preventing the development of the mine would be 'little short of a tragedy'.<sup>503</sup> In November, the company sought and was granted protection for all its sites and licenses. Littlejohn informed the warden that since 1 June, one man had been kept on to look after the property 'pending recommencement of mining on the same scale as previously'. The paid-up capital, which it was claimed, incorrectly, amounted to £51,820, had all been spent, along with all the subsidies. A parcel of ore had been sent to American interests, and once the directors heard from these mining might resume.<sup>504</sup>

### LAST, DESPERATE, MANOEUVERS

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<sup>500</sup> Te Aroha Borough Council, Minutes of Meeting of Finance and Electricity Committee of 11 August 1953, Minutes of Meetings 1950-1953, p. 551, Matamata-Piako District Council Archives, Te Aroha.

<sup>501</sup> C.H. Benney to T.L. Gick, 23 July 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>502</sup> Douglas Kendrick (NZ) Ltd to R.F. Landreth, 21 September 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>503</sup> T.L. Gick to C.H. Benney, 2 October 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>504</sup> Te Aroha Warden's Court, Mining Applications 1953, 30/1953, BCDG 11289/4a; Register of Applications 1934-1961, Hearing of 3 December 1953, 30/1953, BBAV 11505/2a, ANZ-A.

In the early part of 1954, the Mines Department sought to retrieve the money it had lent. Late in January, Gick was reminded that repayment was required at the rate of £400 each year, the first repayment having been due on 1 January 1954.<sup>505</sup> Gick replied that the directors were 'at present endeavouring to re-arrange the finance'.<sup>506</sup> In July, after Benney reminded him that he had not replied to his April and May letters asking when the first instalment would be paid: 'I shall be pleased if you will accord me the courtesy of a reply',<sup>507</sup> Gick explained that it was not possible to pay. Impey was overseas attempting to sell the property and, should he be successful, all £2,000 could be repaid.<sup>508</sup> The department decided to await the outcome of his efforts because, as Landreth noted, 'we would not get anything by insisting on payment and calling up debenture'.<sup>509</sup>

In October, Impey claimed that experts of the Eagle Picher Company of America was 'very impressed with the assays of the test samples', and its president had 'agreed to send two of the company's experts, a geologist and a mining superintendent', to discover 'whether there are sufficient base metals to warrant investment of between \$5,000,000 and \$6,000,000 (approximately £2,000,000)'. He then made yet another request for aid. 'To some extent the American Company's decision will also be governed by the amount of assistance the New Zealand government would give in establishing the industry'. He also urged the borough council, still concerned about pollution, 'to show some leniency and not put too many obstacles in the way of a company which, if it goes ahead with its proposals, will give inestimable benefit to the town' and its council. The experts were not expected to arrive until March, and the results of their findings and the American company's decision would not be known until several months

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<sup>505</sup> C.H. Benney to T.L. Gick, 25 January 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>506</sup> T.L. Gick to C.H. Benney, 17 February 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>507</sup> C.H. Benney to T.L. Gick, 6 April 1954, 13 May 1954, 8 July 1953, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>508</sup> T.L. Gick to C.H. Benney, 13 July 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>509</sup> R.F. Landreth to C.H. Benney, 18 July 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

after their test drilling.<sup>510</sup> As several councillors wanted this investigation they did not want the council to 'put obstacles in the way'.<sup>511</sup>

The general meeting of November 1954 was told that since suspending operations in the previous year because of lack of finance the directors had 'realized on certain of the assets' without 'suffering any heavy losses' and had paid 'the greater portion' of the liabilities.<sup>512</sup> Their plant was estimated to be worth over £11,000.<sup>513</sup> The Japanese tests had 'showed a high metal content' but Mitsui were 'unable to handle economically' these complex ores. During Impey's 'extended trip abroad' he tried to interest European and American companies, and the 'tests of the Japanese consignment were of extreme value' in helping him to interest Eagle Picher, which had 'the necessary knowledge, finance and equipment to treat the ore economically'. Shareholders were invited to provide £2,500 towards the cost of Eagle Picher sending 'a Senior Mining Engineer and Senior Geologist' to investigate and report; should his report be favourable, Eagle Picher would, at its own cost, carry out such diamond drilling and driving as would prove the extent of the deposits and then 'submit to us proposals for our mutual benefit'. Another £2,500 would be required to clear tracks, de-water levels, and make the drives safe. Debentures were offered to raise this £5,000, shareholders being asked 'to subscribe 10% of their present holdings with reasonable security' to prove whether or not they owned 'an economic mining proposition'. Should they be unwilling, 'then there would seem to be no alternative to winding up the affairs of the Company without further delay'.<sup>514</sup>

Changes in the directorate were required because Crawford had drowned in January 1954.<sup>515</sup> Fletcher was re-appointed, Littlejohn having become chairman earlier in the year.<sup>516</sup> The re-involvement of Fletcher and

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<sup>510</sup> *Te Aroha News*, 15 October 1954, p. 4.

<sup>511</sup> *Te Aroha News*, 2 November 1954, p. 5.

<sup>512</sup> Auckland Smelting Company, Annual Report for meeting of 17 November 1954, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>513</sup> Te Aroha Warden's Court, Mining Applications 1953, 30/1953, BCDG 11289/4a, ANZ-A.

<sup>514</sup> Auckland Smelting Company, Annual Report for meeting of 17 November 1954, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>515</sup> Death Certificate of Alfred Henry Crawford, 23 January 1954, 1954/24644, BDM; *New Zealand Herald*, 25 January 1954, p. 8.

<sup>516</sup> Company Files, BADZ 5181, box 949 no. 6489, ANZ-A; T.L. Gick to C.H. Benney, 13 July 1954, 30 November 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

the elevation of Littlejohn indicated that the anti-Dunsheath faction was still in the ascendant. As an indication of declining fortunes, by December only £753 in calls had been received, and 200 shares had been forfeited.<sup>517</sup>

At the end of November, the Mines Department was informed that shareholders had contributed only £1,500 of the £5,000 needed and was asked whether it could assist.<sup>518</sup> Landreth commented that it was ‘most unusual for a Company examining a property with a view to purchase to demand that the expenses of examination should be paid by the holding company’. As Eagle Picher, one of the most important lead and zinc mining companies in the United States, had a capital of £15 million, if it considered there was a margin of success it would have paid the expenses of the geologist and engineer, £2,500 being ‘only chicken feed to such a company’. He predicted they would be unimpressed, and saw the financing of the visit as ‘a desperate gamble’ by the company ‘to keep the venture alive and to recover some of their money from the wreck’. As it was ‘a very poor gamble’ no more aid should be given, for doing more work was ‘merely flogging a dead horse’.<sup>519</sup> Accordingly, the company was told it must meet the expenses of the visit.<sup>520</sup>

In late January 1955, the company was asked what it proposed to do about the £800 it owed the department.<sup>521</sup> Its response was that, although £2,500 had been raised towards the cost of the visit, it had no liquid funds. If the experts could not be brought out or their report was unfavourable, there was ‘no alternative but to liquidate the Company’. The department was asked to defer repayment until after the report.<sup>522</sup> In May, Gick informed the warden that more capital, unspecified, had been raised by shareholders and the company was negotiating with overseas interests.

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<sup>517</sup> Auckland Smelting Company, Annual Returns to 1 December 1954, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>518</sup> T.L. Gick to C.H. Benney, 30 November 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>519</sup> R.F. Landreth to C.H. Benney, 6 December 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>520</sup> C.H. Benney to T.L. Gick, 13 December 1954, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>521</sup> C.H. Benney to T.L. Gick, 26 January 1955, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>522</sup> T.L. Gick to C.H. Benney, 2 February 1955, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

Time was needed because reports 'required revised planning for the work to be carried out within the capital resources available', and 'a decision on the extent and locality' of future work required 'extensive plans and estimates'. Another six months' protection was granted.<sup>523</sup> Four days later, Gick told Benney that the visit had fallen through because the Americans believed that the government's 'attitude towards the investment of profits was unsatisfactory', and asked whether this was indeed so.<sup>524</sup> When Halstead contacted Sullivan on the company's behalf he was told the main difficulty was that the American company's proposals were 'nebulous', but if 'specific proposals' were placed before Treasury, 'arrangements could be made to have profits transferred to America'.<sup>525</sup> Shortly afterwards, Gick was informed by Treasury that profits could be sent to America with prior approval of the Reserve Bank.<sup>526</sup> As this information did not change the situation, in August, responding to a request for a reply to the February letter about repaying the loan, Gick wrote that the directors intended to realize assets to pay their debts.<sup>527</sup>

The next meeting of shareholders, held on 15 November, was informed that the directors had 'met with many disappointments' during the past year. Although shareholders had provided debenture applications to the extent of £3,294 10s to finance the proposed investigation, Eagle Picher had withdrawn their offer because 'the proposition was of no further interest to them. This was of course very disappointing particularly as the Directors had incurred expense in raising the necessary funds and had also carried out considerable work clearing tracks and making the areas ready for inspection'. Many United States, Canadian, European and Japanese smelting companies had been contacted 'in an endeavour to obtain a market for the sale of ore', but although 'several' offers were received, none were 'sufficiently high'. Continued efforts, aided by information provided by Hardy, resulted in two English companies and one Australian one showing

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<sup>523</sup> Te Aroha Warden's Court, Mining Applications 1955, 6/1955, BCDG 11289/5a, ANZ-A.

<sup>524</sup> T.L. Gick to C.H. Benney, 24 May 1955, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>525</sup> William Sullivan to E.H. Halstead, 7 June 1955, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>526</sup> D. Barker (Secretary to the Treasury) to T.L. Gick, 15 June 1955, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>527</sup> C.H. Benney to T.L. Gick, 2 August 1955; T.L. Gick to C.H. Benney, 9 August 1955, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

interest.<sup>528</sup> By December, calls had totalled £47,173, and a further 200 shares were forfeited.<sup>529</sup> No more calls would be made, and only one man was employed to maintain the roads, buildings, plant and equipment.<sup>530</sup>

Impey did not offer himself for re-election and was replaced by Dunsheath, who resigned once more the following May, for reasons unrecorded.<sup>531</sup> In June the company sued the Dunsheath Machinery Company for £162 11s 11d and Dunsheath personally for £82 10s, but these cases were settled out of court, the suits being withdrawn at its request.<sup>532</sup> In March, Gick had informed the warden that £8 per week was being spent maintaining the tracks, roadways, and vehicles and in 'care and inspection' of its prospecting areas. It was still negotiating 'with overseas interests with a view to obtaining capital to mine' all its properties.<sup>533</sup> Whatever discussions took place with an undisclosed number of Australian and British companies continued to be unsuccessful, although one Australian investor expressed interest in April.<sup>534</sup> After McAra, now the mining inspector, visited in May, he reported that 'no work has been done for a considerable time' and the company was 'realizing on the equipment'.<sup>535</sup> Although Gick claimed that the Broken Hill Proprietary Company of Australia and two British firms were interested in the ore,<sup>536</sup> McAra reported that most of the equipment had been sold and there did 'not appear to be any definite future plans'. The caretaker worked elsewhere during the

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<sup>528</sup> Auckland Smelting Company, Annual Report for meeting of 15 November 1955, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>529</sup> Auckland Smelting Company, Annual Return to 29 December 1955, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>530</sup> *AJHR*, 1955, C-2, p. 42; 1956, C-2, p. 29.

<sup>531</sup> Auckland Smelting Company, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>532</sup> Auckland Magistrate's Court, Civil Cases 1956, folios 61, 64, 91, 144, 146, BADW 10246/207a, ANZ-A.

<sup>533</sup> Te Aroha Warden's Court, Mining Applications 1956, 8/1956, BCDG 11289/5a, ANZ-A.

<sup>534</sup> T.L. Gick to C.H. Benney, 10 April 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>535</sup> J.B. McAra to C.H. Benney, 28 May 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>536</sup> T.L. Gick to C.H. Benney, 30 May 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

week and looked after the mine on weekends; only two buildings remained and equipment had been removed to the Te Aroha depot.<sup>537</sup>

In February 1956, Benney asked when the company would repay the loan, and in the following month asked: 'Will you kindly let me have a reply'.<sup>538</sup> None was received, Benney noting in July that it had still not requested partial release over the house and vehicles.<sup>539</sup> In September, Benney told Gick he had been informed that assets were being realized to meet the liabilities, which, if true, was 'quite satisfactory'. Gick confirmed that liabilities would be met from these sales.<sup>540</sup>

What was to be the last general meeting, held in December 1956, was informed that all efforts to interest overseas companies had failed. After supplying three of these with all the reports and plans, 'your Directors were disappointed to learn that none were sufficiently interested' to send experts to inspect. Subsequently, an Australian geologist had recommended selling the ore in an untreated state to companies he nominated, which was done, but 'despite the interest expressed by them it soon became evident that, without further concentration, the ore available for sale was not considered sufficiently rich at today's prices for base metals'. Although they were in contact with a Canadian company, as there was 'little prospect' that the money subscribed to meet the cost of visits by overseas experts would be needed it had been refunded. Realizing of assets had continued, but as the market for used machinery had been 'very depressed for the last 12 months', much remained to be sold. The directors recommended that shareholders consider whether there was 'any object in the Company continuing. Much of course already has been lost but there appears to be little hope of any gains being made by drawing out' its existence.<sup>541</sup>

## THE END

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<sup>537</sup> J.B. McAra to C.H. Benney, 8 June 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>538</sup> C.H. Benney to T.L. Gick, 16 February 1956, 21 March 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>539</sup> C.H. Benney to G.S.R. Meredith, 11 July 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>540</sup> C.H. Benney to T.L. Gick, 18 September 1956; T.L. Gick to C.H. Benney, 24 September 1956, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>541</sup> Auckland Smelting Company, Annual Report for meeting of 18 December 1956, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

The warden was informed, in April 1957, that the company owned 86 per cent of Hardy's Mines Ltd and planned to develop its Waiorongomai holdings. Having spent over £50,000, it would need 'considerable further capital'. Another unnamed overseas company, having been given 'plans, reports and other necessary data', would make its own investigations, necessitating another six months' protection, which was granted.<sup>542</sup> When Benney asked about sales of the assets, Gick explained that it was still 'extremely difficult' to sell machinery.<sup>543</sup> Benney responded that, as the department had security over the plant, now apparently all sold, he wanted a statement of accounts plus 'at least part payment of the balance due'.<sup>544</sup> He had to repeat his request a month later.<sup>545</sup> Nearly three weeks later Gick informed him that, as all attempts to interest overseas companies had failed and there had been a heavy fall in the price of base metals, the company would have to be wound up.<sup>546</sup> Benney pointed out that when assets were sold the Crown should be paid first and that no property should be sold without its approval. He wanted the immediate discharge of the debenture and details of all sales.<sup>547</sup>

One month later, Halstead told Sullivan that he had 'been asked to make representations' to him 'concerning the waiving of a Crown debenture of £2,000 over the assets. The company was 'virtually in a state of liquidation, with no prospect of being able to come to any arrangement with any of the overseas mining companies'. Because shareholders had 'persevered in an attempt what could have been a venture of national value', they were requesting 'that the claim be waived in order that a small return might be received for the contributions which have been made

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<sup>542</sup> Te Aroha Warden's Court, Mining Applications 1957, 2/1957, BCDG 11289/5a, ANZ-A.

<sup>543</sup> C.H. Benney to T.L. Gick, 10 April 1957; T.L. Gick to C.H. Benney, 1 May 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>544</sup> C.H. Benney to T.L. Gick, 10 May 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>545</sup> C.H. Benney to T.L. Gick, 6 June 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>546</sup> T.L. Gick to C.H. Benney, 24 June 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>547</sup> C.H. Benney to T.L. Gick, 9 July 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

towards this project'.<sup>548</sup> Landreth responded that the company was behaving like others, trying 'to get as much assistance as possible by subsidy or grant, then to ask for loan to be repayable security being given over assets of company and finally to ask for loan to be waived'. He wanted the loan repaid.<sup>549</sup> The day before Landreth wrote this, Gick had indeed asked the government to waive its claim in order that some money could be repaid to the shareholders. It had not been possible to find anyone interested in acquiring the mining rights.<sup>550</sup> He was told that the department would not object to the surrender of the rights, and was asked for details of the funds in hand, assets unsold, and the liabilities.<sup>551</sup> Asked for his opinion, McAra recommended that, as the company had made a 'genuine attempt' to explore the resources, there should be some remission of the loan.<sup>552</sup> Gick finally provided details, in late August: cash in the bank amounted to £840, and the truck and mining gear was possibly worth £1,500, which would enable the discharge of the debenture. There were no liabilities apart from small current ones 'for services rendered'. He sought advice about where to sell an engine, but Benney could not assist.<sup>553</sup> A month later, Benney recommended that Halstead's request that the loan be waived entirely be rejected, for the company had received 'free money' amounting to £2,526.<sup>554</sup> John McAlpine, the new Minister, in citing this figure to Halstead, noted that it was 'not repayable' and the loan had been provided on the basis that it would be repaid. He 'considered that the

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<sup>548</sup> E.H. Halstead to William Sullivan, 9 August 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>549</sup> R.F. Landreth to C.H. Benney, 15 August 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>550</sup> T.L. Gick to C.H. Benney, 14 August 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>551</sup> C.H. Benney to T.L. Gick, 20 August 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>552</sup> J.B. McAra to C.H. Benney, 23 August 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>553</sup> T.L. Gick to C.H. Benney, 28 August 1957; C.H. Benney to T.L. Gick, 14 October 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>554</sup> C.H. Benney to William Sullivan, 20 September 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

Company has had ample assistance from Government funds and that it should repay the loan'.<sup>555</sup>

In November, the directors suggested that the department take over its assets and realize on them to discharge the loan. The company had £810 in the bank, some of this money being needed to meet debts, and still owned some machinery.<sup>556</sup> This proposal was accepted; should the sale produce more than £2,000, the surplus would go to the company.<sup>557</sup> The directors met twice in February 1958 to finalize arrangements for liquidation and agreed to pay themselves £150 each as a 'token compensation for their services over a number of years'.<sup>558</sup> In April, all the cash in the bank and all plant and equipment was transferred to the department in settlement of the debenture.<sup>559</sup> Whether this meant that all the debt was repaid is not known, for no value was recorded for the plant and equipment, but judging from Gick's earlier comments about the difficulty of selling machinery it may not have been worth very much. Once the debenture owing to the Crown was discharged, there were no further liabilities, and the company applied to be struck off the register.<sup>560</sup>

#### POST MORTUM AND CONCLUSION

In his 1952 address to the Te Aroha Rotary Club, McAra explained that a mine had to be 'thoroughly surveyed, tested and proven before the next stage of development was embarked upon':

This stage of the work was, perhaps, the most important and the programme had to be a thorough and comprehensive one.

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<sup>555</sup> John McAlpine (Minister of Mines) to E.H. Halstead, 8 October 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>556</sup> T.L. Gick to C.H. Benney, 7 November 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>557</sup> C.H. Benney to T.L. Gick, 5 December 1957, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W.

<sup>558</sup> T.L. Gick to C.H. Benney, 7 February 1958, Mines Department, MD 1, 23/2/1218, Mines Department, Wellington.

<sup>559</sup> T.L. Gick to Assistant Registrar of Companies, Companies Office, Auckland, 11 April 1958, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

<sup>560</sup> T.L. Gick to Assistant Registrar of Companies, Companies Office, Auckland, 9 December 1958, Company Files, BADZ 5181, box 949 no. 6489, ANZ-A.

Sometimes the work took years to complete. Before a mine could be worked as a sound, payable proposition its possibility of a good life of say, 25 years had to be determined....

The question of treatment of the metals was not considered strongly until a field had been sufficiently proved and fairly accurate indications gained of the content and extent of the ores, which determined the size of the scheme.<sup>561</sup>

In 1985, looking back over the history of this and similar companies, he commented that prospecting companies were 'high risk investments'. It was necessary to

put adits in and cut the reefs, drive on the reefs, and sample them and make your assessment of the total value - you've got to have enough to operate for ten years anyhow. You've got to be able to see enough for ten years before you put your plant in otherwise your capital costs of putting a plant in wouldn't be covered.

In the case of the Auckland Smelting Company, 'they weren't strong enough - they didn't have enough resources to complete the crosscut and go through to the Ruakaka.... They ran out of funds and that was it'. He added that 'generally speaking I think as far as mining's concerned it's too high a risk ... to invest local capital'.<sup>562</sup>

This company's history illustrated several aspects of how promoters attempted to keep their under-capitalised companies afloat despite almost insuperable difficulties:

- by exaggerating the value of the ore, using as proof misleading assessments of samples made by earlier prospectors who had neglected to develop their discoveries;
- by ignoring that new assays gave erratic results, and citing the highest result as though it was the average value of much of the lode;
- by ignoring assays made by government officials and others that proved past and present assays to be unrepresentative;
- by claiming, without providing evidence, that a large but unspecified number of unnamed experts applauded the company's plans and their likely success;
- by exaggerating the amount of prospecting being done;

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<sup>561</sup> *Te Aroha News*, 4 April 1952, p. 5.

<sup>562</sup> Interview with J.B. McAra, 4 August 1985, pp. 13-14 of transcript.

- by implying that underground tests had taken place whereas the collapse of the old workings had prevented these being done;
- by greatly exaggerating the size of the reserve of payable ore;
- by deliberately misleading existing and potential shareholders, along with officials, by making false claims about the prospects and by failing to produce reports giving much less positive assessments;
- by claiming that extracting the ore would be crucial for the national economy;
- by exaggerating the interest of overseas companies in purchasing either the ore or the ground;
- by exaggerating the positive impact of the mine on the local economy;
- by obtaining the support of residents, the council, and the local newspaper through exaggeration or misinformation;
- by claiming to have the backing of the government and the Mines Department;
- by seeking government assistance in the form of advice, machinery, and ever-increasing funding for a road, surface prospecting, crosscutting, and driving on the reefs;
- by claiming that government assistance was thrust upon the company, unsought, and implying that a much larger amount was offered than was the case;
- and by using a man associated with the company who was also a member of the governing party to seek financial assistance from the government.

None of these methods were unique to this company, but its career is a useful case study of how, despite all these efforts, an under-capitalised mining company could not succeed unless large amounts of very good ore were discovered. And Dunsheath was hardly unique in being tempted to produce misleading assays for the purpose of obtaining capital.

As in the 1880s, the Tui district had not proved payable, although a successor company, Norpac, would make one last attempt to work it.<sup>563</sup>

### *Appendix*

*Figure 1: 'Lode-pattern in the Waiorongomai and Te Aroha area', based on geological survey of 1911 and information provided by Alistair Isdale on*

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<sup>563</sup> See paper on pollution and Norpac, a chronology to 1980.

the Tui mines, in Gordon Williams, *Economic Geology of New Zealand* (Melbourne, 1965), p. 121.

*Figure 2:* Bo Stent, 'Tui Creek Mines: Centres of Mining Interest', in Kevin Wells, *The Noble Aroha: Te Aroha Mountain: Celebrating Te Aroha 125 years (1880-2005)* (Te Aroha, 1905), p. 59; used with permission.

*Figure 3:* Plan attached to application for Special Quartz Claim, 11 August 1948, Te Aroha Warden's Court, Mining Applications 1948, 6/1948 [B.J. Dunsheath file], BCDG 11289/4a, ANZ-A [Archives New Zealand/Te Rua Mahara o te Kawanatanga, Auckland Regional Office]; used with permission.

*Figure 4:* Plan showing location of applications for prospecting rights and the Te Aroha water catchment area, 11 August 1948, Te Aroha Warden's Court, Mining Applications 1948, 6/1948 [B.J. Dunsheath file], BCDG 11289/4a, ANZ-A [Archives New Zealand/Te Rua Mahara o te Kawanatanga, Auckland Regional Office]; used with permission.

**Figures 5-15 are taken from Auckland Smelting Company Limited, 'Base Metals Mine at Te Aroha: Lead, Copper, Zinc, also Gold and Silver', (broadsheet, Te Aroha, 1948), J.B. McAra Papers; used with permission.**

*Figure 5:* 'Excavating Site for Mine Buildings at 1600 feet'.

*Figure 6:* 'Members of Staff '.

*Figure 7:* 'Preparing foundations for compressor and engine. "Jeep in foreground'.

*Figure 8:* 'Close-up of work'.

*Figure 9:* 'Engineer's Shop, Smithy, Engine Room, Change Room and Crib'.

*Figure 10:* 'At portal of Drive, Tip Head Staging and Chutes'.

*Figure 11:* 'Type of Country through which road has been cut'.

*Figure 12:* ‘View of Mine Portal with Bins, Staging, Staircase, Vee Chute, etc’.

*Figure 13:* ‘Top end of Road viewed from Mine Staging’.

*Figure 14:* ‘Chevrolet Four-wheel drive loading up at Bin’.

*Figure 15:* ‘Mine Manager [J.B. McAra] at Mine Entrance’.

*Figure 16:* [J.B. McAra], ‘Tui Mine Workings, looking north-east, August 1952’, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

*Figure 17:* [J.B. McAra], ‘Sketch Plan, Tui Mine, Five Levels Driven, Aug. 1952’, noting work still to be done, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

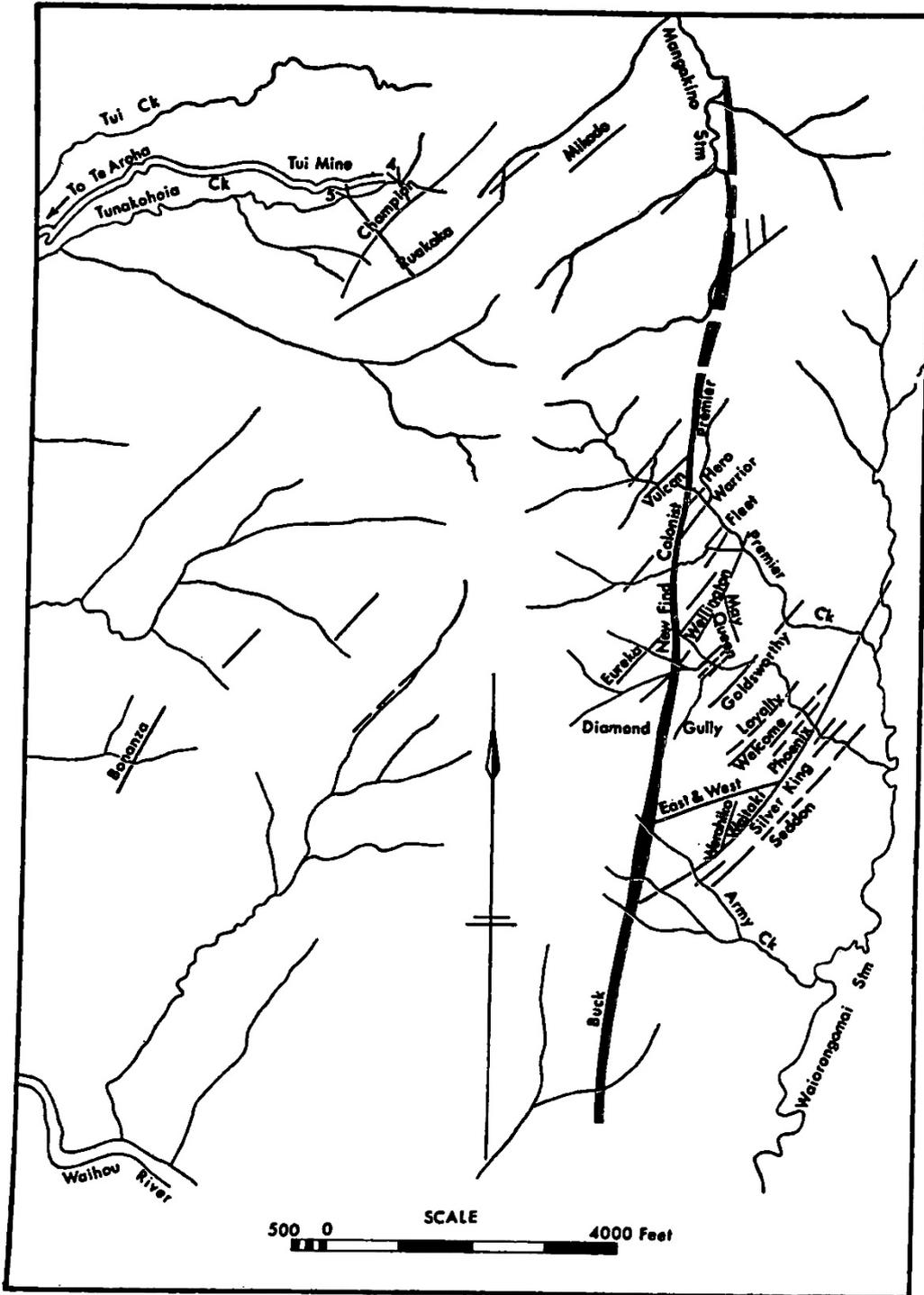


Figure 1: 'Lode-pattern in the Waiorongomai and Te Aroha area', based on geological survey of 1911 and information provided by Alistair Isdale on the Tui mines, in Gordon Williams, *Economic Geology of New Zealand* (Melbourne, 1965), p. 121.

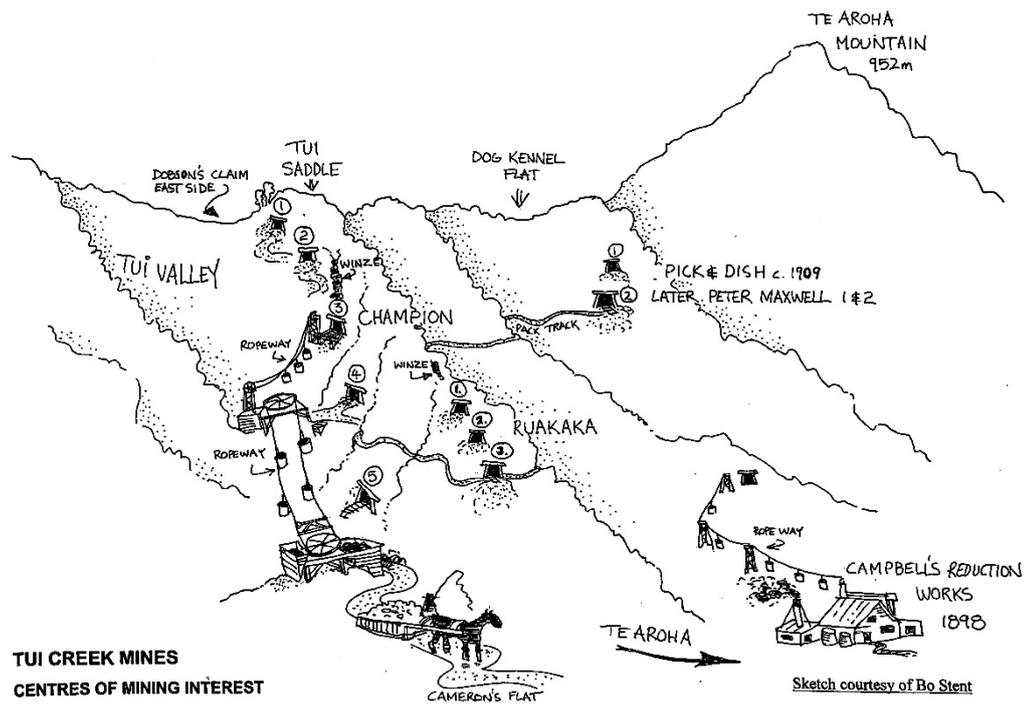


Figure 2: Bo Stent, 'Tui Creek Mines: Centres of Mining Interest', in Kevin Wells, *The Noble Aroha: Te Aroha Mountain: Celebrating Te Aroha 125 years (1880-2005)* (Te Aroha, 1905), p. 59; used with permission.

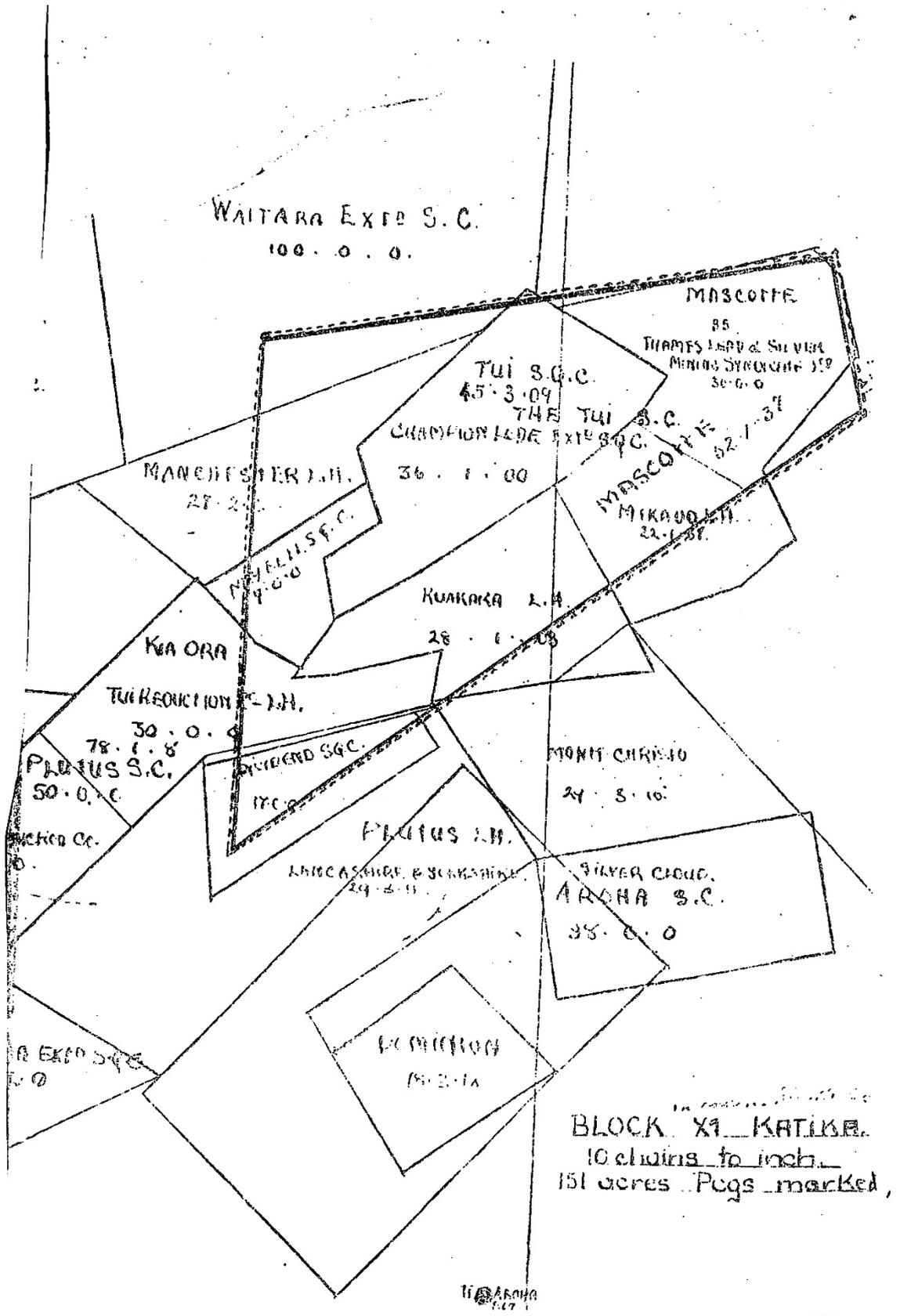


Figure 3: Plan attached to application for Special Quartz Claim, 11 August 1948, Te Aroha Warden's Court, Mining Applications 1948, 6/1948 [B.J. Dunsheath file], BCDG 11289/4a, ANZ-A [Archives New Zealand/Te Rua Mahara o te Kawanatanga, Auckland Regional Office]; used with permission.





*Figure 5: 'Excavating Site for Mine Buildings at 1600 feet'.*

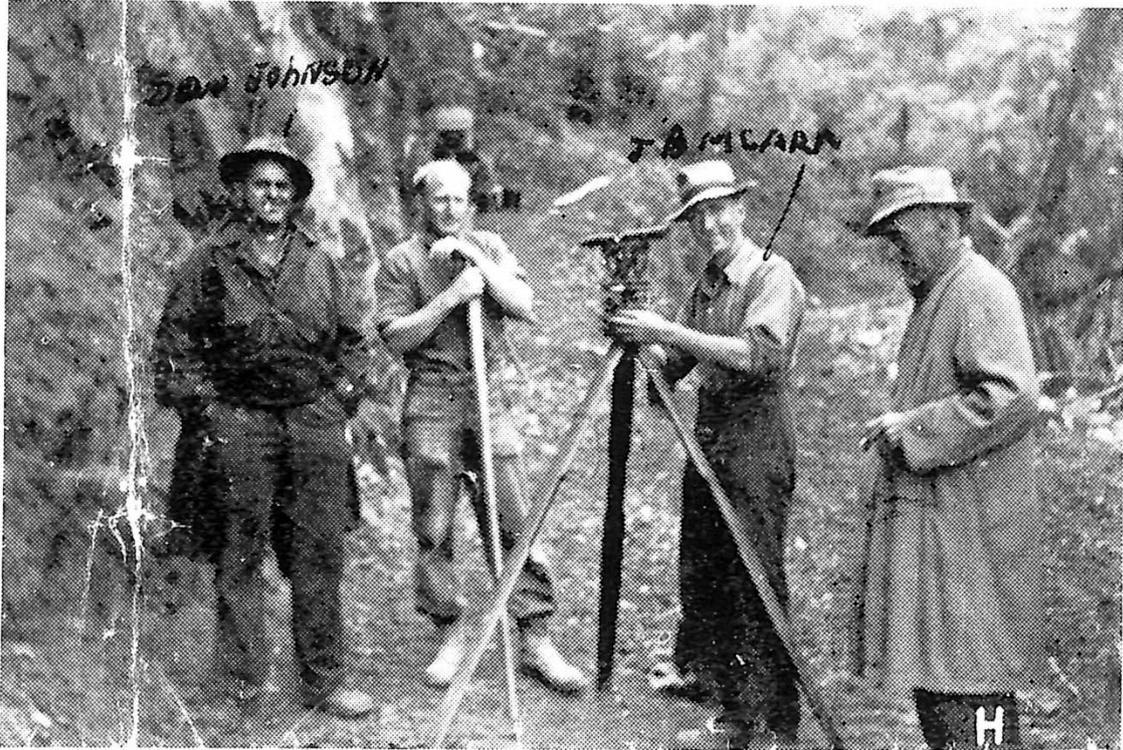
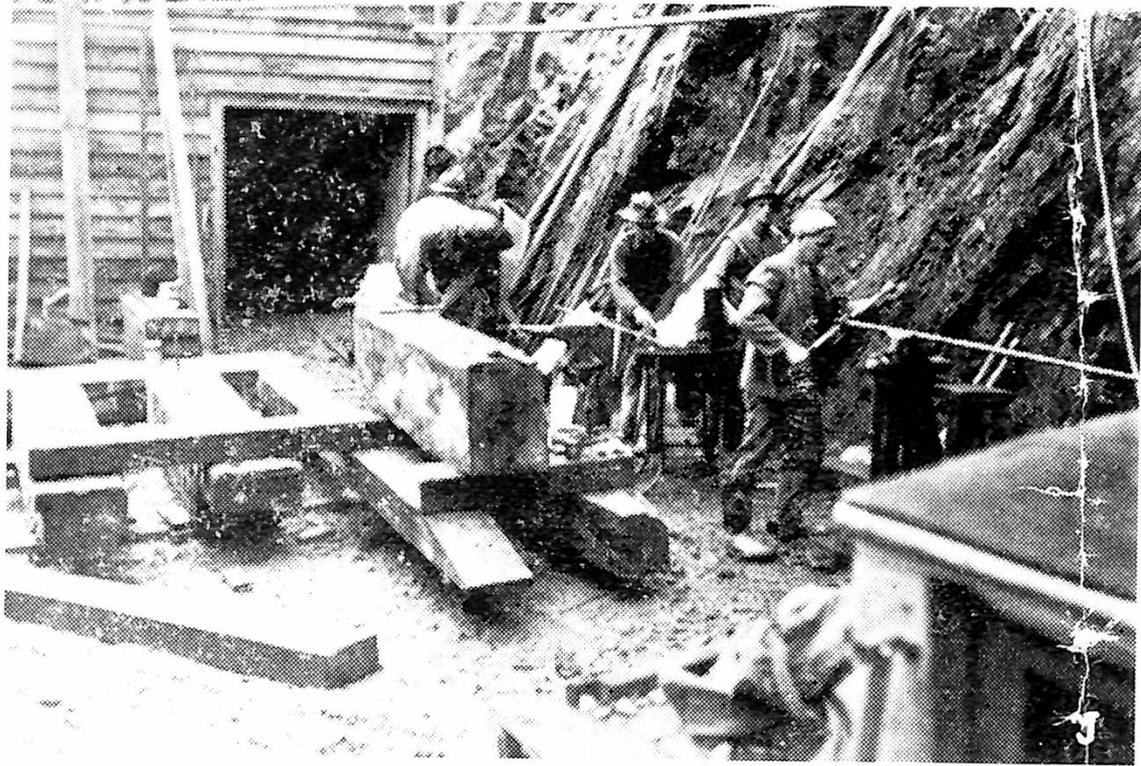


Figure 6: 'Members of Staff '.



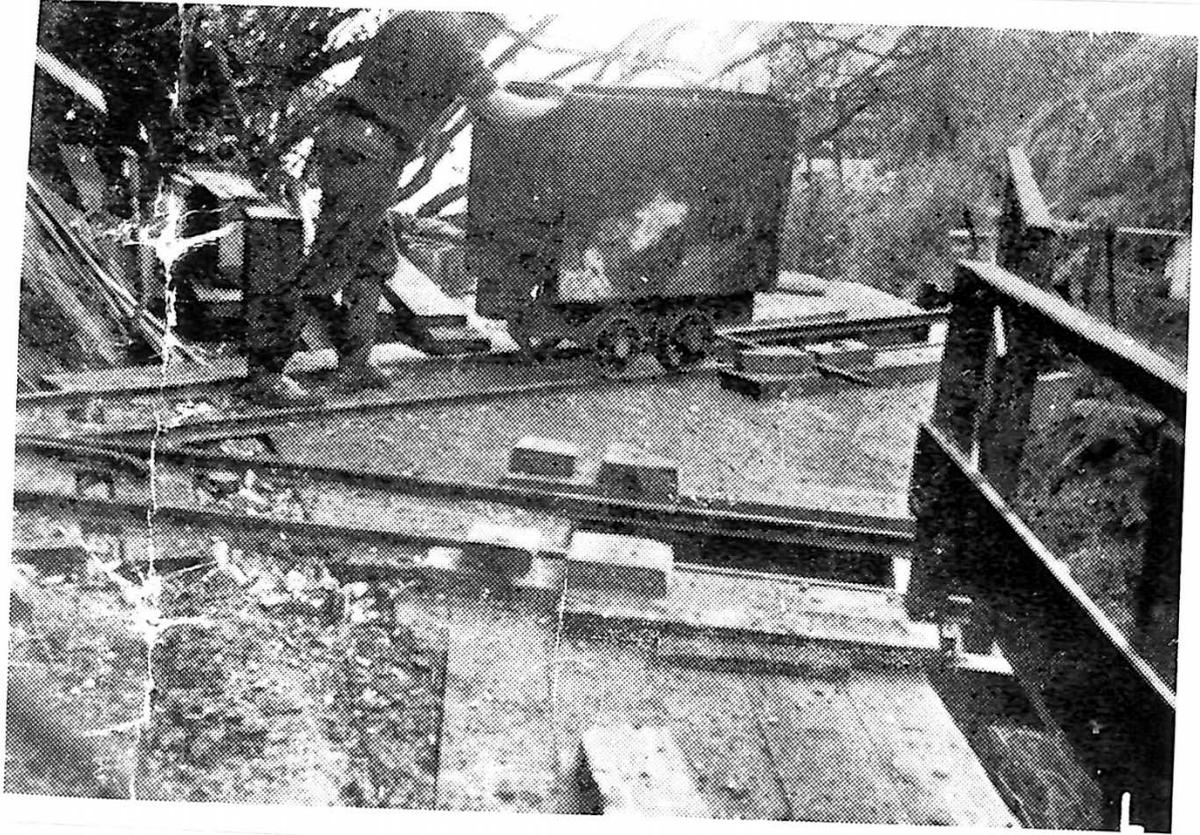
*Figure 7: 'Preparing foundations for compressor and engine. "Jeep in foreground'.*



*Figure 8: 'Close-up of work'.*



*Figure 9: 'Engineer's Shop, Smithy, Engine Room, Change Room and Crib'.*



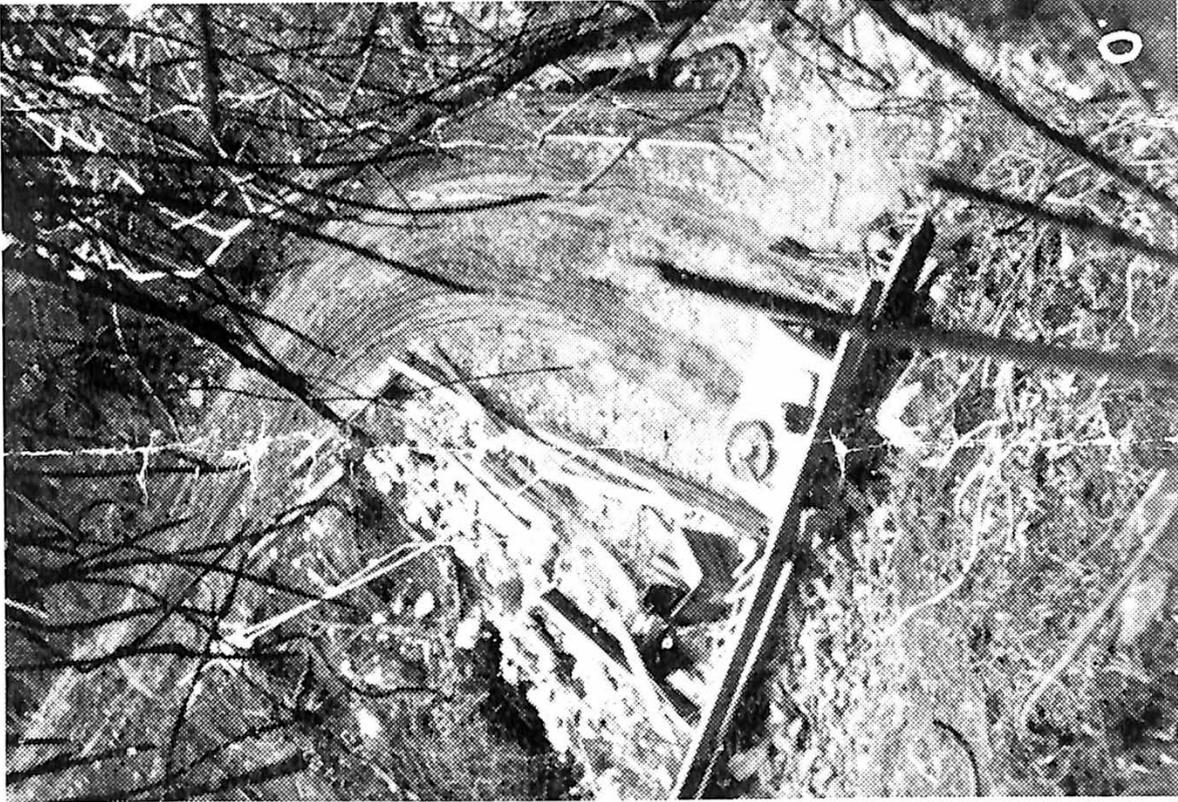
*Figure 10: 'At portal of Drive, Tip Head Staging and Chutes'.*



*Figure 11: 'Type of Country through which road has been cut'.*



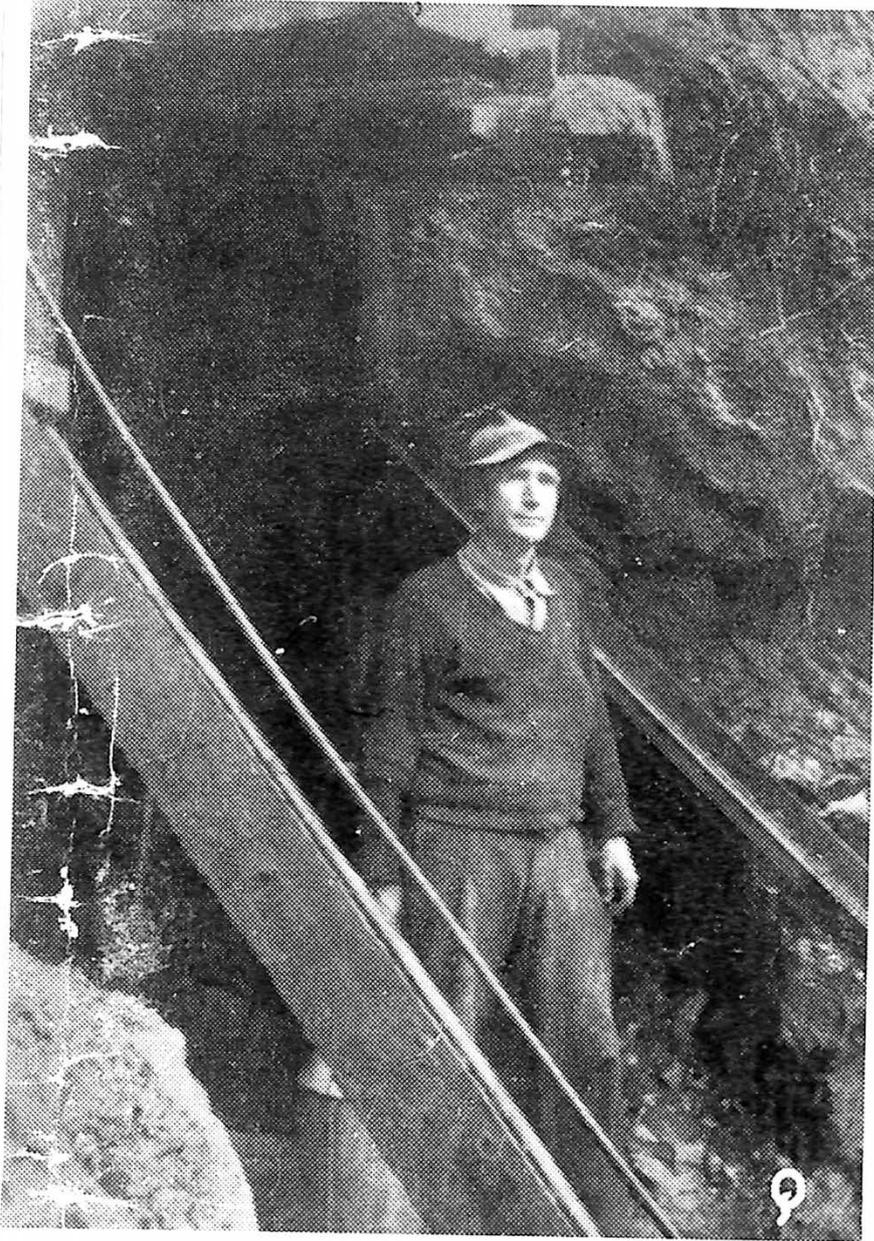
*Figure 12: 'View of Mine Portal with Bins, Staging, Staircase, Vee Chute, etc'.*



*Figure 13: 'Top end of Road viewed from Mine Staging'.*



*Figure 14: 'Chevrolet Four-wheel drive loading up at Bin'.*



*Figure 15: 'Mine Manager [J.B. McAra] at Mine Entrance'.*

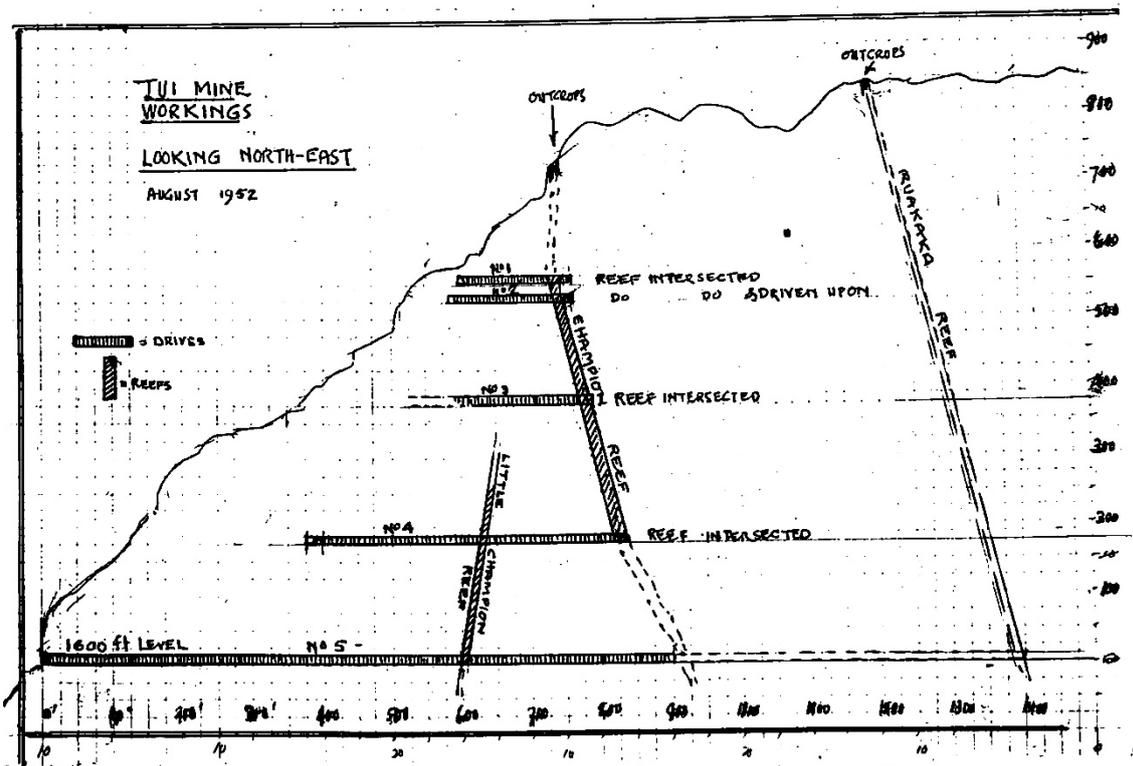


Figure 16: [J.B. McAra], 'Tui Mine Workings, looking north-east, August 1952', Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.

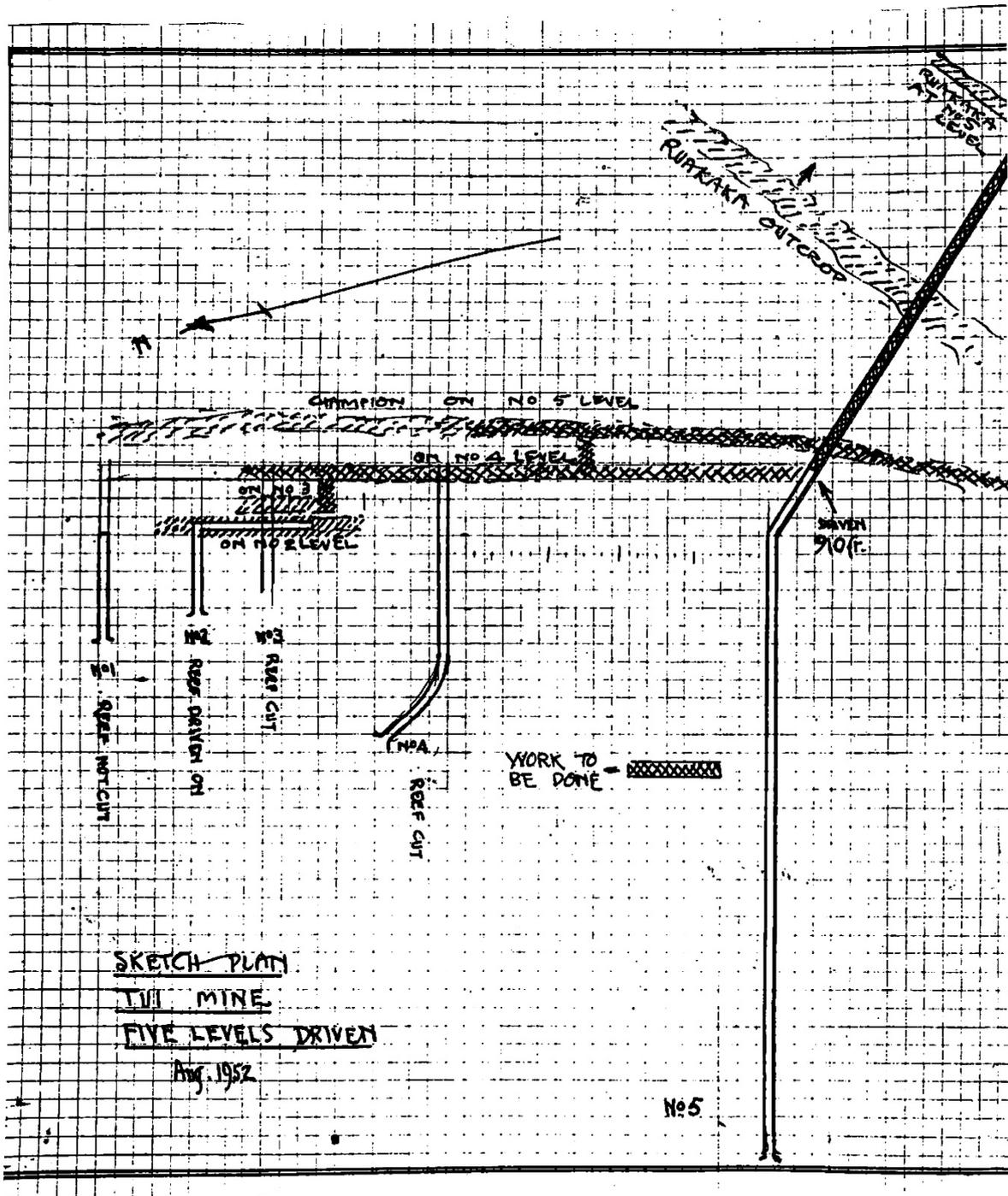


Figure 17: [J.B. McAra], 'Sketch Plan, Tui Mine, Five Levels Driven, Aug. 1952', noting work still to be done, Mines Department, MD 1, 23/2/1218, Part 2, ANZ-W [Archives New Zealand The Department of Internal Affairs Te Tari Taiwhenua]; used with permission.