

THE FIRST CRUSHING AT WAIORONGOMAI, NOVEMBER 1883

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Abstract: *By the time the battery was ready to crush the first batches of ore, expectations were high – too high. On 1 November 1883, when treatment started, suspicions of unethical conduct were raised by its being done in secrecy, suspicions raised even higher when, unexpectedly, the amalgam was squeezed in cold rather than hot water, as was usual. This method of treatment lowered the expected yield, causing much discontent, and the crushing proved that the ore in some mines expected to be profitable was unpayable.*

Although the outcome was generally disappointing, some retained hope for the future. But share prices soon declining significantly, a fall encouraged by suspicions of share market manipulation, insider trading, and speculation. Not being a poor man's field because it contained so much low-grade ore with little possibility of discovering bonanzas, more prospecting and more crushing power was required. After such a long time waiting for large-scale crushing, the circumstances and results of the first treatment turned out to be a very bad start for the field, which for many would never overcome its bad reputation.

HIGH EXPECTATIONS

In February 1882, the *Waikato Times* reported men betting on the outcome of the first crushing at the battery:

Our reporter was present the other day, during his visit to the district, at a conversation which took place between a gentleman concerned in the welfare of the field with another whose interests lay in the same quarter, but who was more immediately concerned in the battery. The former bet the latter a wager of £10 that the new battery (40 head of stampers) would not crush out 2,000 ounces of melted gold in 28 working days of 24 hours each day. The latter gentleman readily took up the bet. Another miner of experience almost from infancy standing by was willing to go halves in the bet; and if not this, to make another bet of a similar nature - that the battery would turn out 2000 ounces of melted gold in the specified time.¹

¹ 'Te Aroha and Waiorongomai: Progress of the Goldfield', *Waikato Times*, 20 February 1883, p. 3.

Five months later, James McCosh Clark, of the Battery Company,² in anticipating success for Karangahake as well as Waiorongomai, predicted that ‘fully 20,000 miners’ would be ‘located at Te Aroha and Paeroa’ within the next two years.³

PROCEDURES QUERIED

The first crushing, of ore from the Colonist, New Find, Premier, Werahiko, and Waitoki, started on the afternoon on 1 November 1883. The first telegram to the *New Zealand Herald* from its local correspondent raised a very controversial point: ‘The action of the battery company in posting notice of “no admittance” on the doors of the battery is being severely criticised and strongly condemned’.⁴ The *Observer* described this decision as ‘most reprehensible and must have a damaging effect. There should be no secrecy’.⁵ It later repeated its regret that the directors, whom it did not believe had intended to do any insider trading, had permitted this secrecy. ‘If they had nothing to gain, there could be nothing to fear’.⁶ The second telegram to the *New Zealand Herald* repeated that the closing the doors to the public had ‘been the cause of a good deal of adverse criticism during the day; still, however, opinion is divided, and there are those who hold that the course taken, if strictly carried out, will tend to the ultimate good of the field’.⁷ An *Auckland Star* reporter on 7 November referred to ‘an inspection of the plates this morning’, implying that he had inspected them personally,⁸ but he was probably citing what he had been told. On the afternoon of 17 November he wrote that he had ‘just been into the battery to witness the cleaning up, and report on the performance for the Auckland public’s information, but was not allowed to remain’. The battery manager, Henry Hopper Adams,⁹ ‘in the most gentlemanly manner possible’, stated that he had been instructed not to allow any reporters ‘to be present during

² See paper on this company.

³ *Waikato Times*, 14 July 1883, p. 2.

⁴ Te Aroha Correspondent, *New Zealand Herald*, 2 November 1883, p. 6.

⁵ *Observer*, 3 November 1883, p. 14.

⁶ *Observer*, 1 December 1883, p. 14.

⁷ Te Aroha Correspondent, *New Zealand Herald*, 3 November 1883, p. 5.

⁸ Te Aroha Correspondent, *Auckland Star*, 7 November 1883, p. 2.

⁹ See paper on his life.

the cleaning up, but he said he would give the result an hour after the job was finished, when it would be posted up'. The journalist was refused entry despite 'having a written order from a managing director of the companies using the battery. When the public is excluded, the public cannot be otherwise than suspicious of what is being done'.¹⁰ According to another newspaper, this man was removed despite having the approval of two directors to be there.¹¹ Presumably with their assistance, on 19 November he wrote that he had 'been inside the battery watching the process of cleaning up'.¹²

The entire plant certainly worked very well indeed, and the most satisfactory system was observable in matters of detail inside, which may set at rest any uneasy feelings caused by the previous exclusion of the Press – a regulation which will probably not be enforced in future as it does no good, but on the other hand is calculated to excite distrust.¹³

Unlike the Auckland press, the *Thames Advertiser* considered the directors had 'adopted a very sensible plan, one 'worthy of imitation by all mining companies', namely first informing the directors and then posting daily returns of the amalgam.

The secrecy which usually attends such matters, and the mysterious obtaining of early information by knowing speculators will by this means be done away with, and the whole public will be placed upon an equal footing, the "bulling" and "bearing" of the market being also rendered almost impossible. Complaints have been made as to the exclusion of the public from the battery, but the steps mentioned will more than compensate for such a restriction.¹⁴

Posting the results in a conspicuous place outside the battery¹⁵ pleased its correspondent because this dispensed with 'the mystery that lends

¹⁰ Te Aroha Correspondent, *Auckland Star*, 19 November 1883, p. 3.

¹¹ *Thames Advertiser*, 21 November 1883, p. 3.

¹² Te Aroha Correspondent, *Auckland Star*, 20 November 1883, p. 2.

¹³ Te Aroha Correspondent, *Auckland Star*, 20 November 1883, p. 3.

¹⁴ *Thames Advertiser*, 5 November 1883, p. 2.

¹⁵ For examples, see *Waikato Times*, 8 November 1883, p. 3, 10 November 1883, p. 2, 13 November 1883, p. 2, 15 November 1883, p. 2, 17 November 1883, p. 2, 22 November

enchantment to reckless speculation on the one side, and sharp practice on the other'.¹⁶

The *Te Aroha News* wrote that when the time to post the returns approached, several people could 'be seen anxiously waiting the result. The greatest excitement prevails when the paper containing the various returns is brought out to be inspected'.¹⁷ The Te Aroha Brokers' Association arranged for the telegraphing of the daily yields to other towns 'for the benefit of local speculation'.¹⁸ 'By adding together the daily cleaning-up, allowing, say a fourth of amalgam, and one ton per stamper', investors could 'very nearly get at the actual return from the various parcels'.¹⁹ On Friday 16 November, one local correspondent reported that

A feeling of uneasiness exists among the residents here, on account of the fact that the result of the last retorting, which took place at the battery on Monday last, has not been officially made known here, and was only heard of yesterday. I have been unable to obtain any information about it from anyone at the battery, and it is difficult to disabuse people's minds of the idea that some underhand work is going on.²⁰

This was the 'intermediate retorting' for the benefit of mine managers only; its results were not intended for public release.²¹ The *Te Aroha News* made no complaints, its only comment being to quote John Bullock,²² the chairman of the Brokers' Association, 'cracking one of his interesting jokes,

1883, p. 2, 24 November 1883, p. 2, 27 November 1883, p. 2; the *New Zealand Herald* published the results for each mine almost every day.

¹⁶ Te Aroha Correspondent, *Thames Advertiser*, 8 November 1883, p. 2.

¹⁷ *Te Aroha News*, 17 November 1883, p. 2.

¹⁸ *Thames Advertiser*, 7 November 1883, p. 2.

¹⁹ *Te Aroha News*, 10 November 1883, p. 2.

²⁰ Te Aroha Correspondent, *New Zealand Herald*, 17 November 1883, p. 5.

²¹ *New Zealand Herald*, Te Aroha Correspondent, 'Hot Water', 1 December 1883, p. 6, 2 December 1883, p. 5; *Te Aroha News*, 1 December 1883, p. 2.

²² See *Thames Guardian and Mining Register*, 26 April 1872, p. 3; *Thames Advertiser*, District Court, 9 February 1877, p. 3, 13 June 1877, p. 3, 17 October 1877, p. 3, 28 October 1881, p. 3; *Thames Star*, advertisement, 30 October 1880, p. 3, 10 November 1880, p. 2, 21 April 1887, p. 2.

remarked that without doubt there was a lot of “gilt” about the secrecy observed at the battery - quite a pile of it in the safe, and increasing daily’.²³

Adams implied he would have preferred no secrecy but was obeying instructions: ‘Nothing has given me greater pleasure since my coming to reside in the Te Aroha district than that of giving, as far as my duty permitted, the fullest information in my power to all representatives of the Press’.²⁴ Once the first month’s crushing was completed and the battery was cleaned up, on 5 December, the *Thames Advertiser* expressed regret that it had been closed ‘because really the results are highly satisfactory, and needed no mystery to attach to them to make them so’.²⁵ One newspaper considered, quaintly, that the unpleasantness ‘was probably the result of a strong desire’ by the company ‘to give the public the fullest information as the work proceeded’.²⁶

After the cleaning up, entry to the battery was permitted.²⁷ From then on, instead of publishing daily returns these were published at noon every Wednesday,²⁸ a change supported by the local newspaper:

The daily publication of amalgam returns has a tendency to cause unwarrantable fluctuations in the share market. The merest accident, such as the temporary stoppage of a pass or shoot in a mine is sufficient to decrease a day’s yield of amalgam, and the public, not being aware of the cause of the diminution, might be led to infer that the quartz was crushing poorly.²⁹

THE RESULTS

First reports were encouraging. After some adjustments were made on the first day of operation, ‘the whole of the splendid machinery has been working in grand style’.³⁰ It was ‘putting through a ton per stamper in 24

²³ *Te Aroha News*, 1 December 1883, p. 2.

²⁴ H.H. Adams to the Directors of the Battery Company, 30 November 1883, printed in *New Zealand Herald*, 4 December 1883, p. 5.

²⁵ Editorial, *Thames Advertiser*, 6 December 1883, p. 2.

²⁶ *Auckland Weekly News*, 8 December 1883, p. 17.

²⁷ *Thames Star*, 7 December 1883, p. 2.

²⁸ *New Zealand Herald*, 8 December 1883, p. 5.

²⁹ *Te Aroha News*, 15 December 1883, p. 2.

³⁰ Te Aroha Correspondent, *New Zealand Herald*, 3 November 1883, p. 5.

hours' and 'giving great satisfaction'.³¹ A return of over two ounces of gold per ton was anticipated.³² On 6 November, the *New Zealand Herald's* first editorial on this topic interpreted the results to mean all five mines would be payable, meaning gold was 'diffused' over a large area. The ore crushed was 'not a small quantity picked from a reef, and carefully put through at the battery as a test, but is the quartz which has accumulated at the claims, and cannot be much better than the bulk of the stuff, if, indeed, it is better at all'. Acknowledging that it was difficult to estimate the amount of gold per ton, it assumed that because the amalgam 'probably' had been squeezed in hot water and treated with mercury it would 'turn out about one-third gold'.³³

After the first few days, Adams sent a telegram to the chairman of the county council: 'I have to congratulate you on the well-deserved success of your efforts to develop the Te Aroha Goldfields. Stuff in battery shaping beyond expectation'.³⁴ A *Waikato Times* columnist enthused:

The news from Te Aroha Goldfield is of a most satisfactory nature, as the crushings from five of the claims indicate most satisfactory results. It has long been believed by those best qualified to form an opinion, that there was any quantity of auriferous quartz there which would give splendid results when it was crushed, and the results of the crushings proved that the belief was well founded. A short time ago a Victorian gentleman who had had a large amount of experience in quartz-mining, visited Te Aroha. On his return to Auckland he told a friend of his that he was quite satisfied that the field would turn out better even than Ballarat. Auckland is prosperous now, but with a splendid goldfield so close to it, it will soon become a second Melbourne. And what a grand thing it will be for Waikato, having an immense goldfield so close to it, where there will soon be thousands of miners ready to pay a high price for all the produce that can be sent to them. Yes! Things will assume a roseate - or I might say an auriferous hue. What a lot of money you will all make.³⁵

³¹ *Waikato Times*, 8 November 1883, p. 3.

³² *Waikato Times*, 10 November 1883, p. 2; *Te Aroha News*, 10 November 1883, p. 2.

³³ Editorial, *New Zealand Herald*, 6 November 1883, p. 4.

³⁴ *Waikato Times*, 10 November 1883, p. 2.

³⁵ 'St Mungo', 'Echoes from the Cafe', *Waikato Times*, 10 November 1883, p. 3.

An editorial, published in the same newspaper five days later lauding the revival of the field, also stressed that the first crushing was not of picked stone but of ore taken just as it came from the reef. 'The result, if it has not created a furore, has at any rate come up to all reasonable expectations', for 'a yield of from two to three ounces per ton is a splendid return'.³⁶

The first response by the *Thames Star* was to congratulate Te Aroha on the success. 'Many were dubious as to the result of the very large outlay which was being made in the construction of the tramway and water race, and the erection of the magnificent battery ... and several ominous head-shakings were indulged in'. Now there could be no doubt that a payable field existed, and Te Aroha was held up as an example to Thames on how to test new ground.³⁷ Later, it wrote that the interim retorting of two of the mines had revealed that the yields, 'though not quite so rich as was predicted when the battery started, show the reefs as far as tested are highly remunerative'.³⁸

A correspondent told the Tauranga newspaper that 'every settler and miner' was 'sanguine of a great future' because the crushing had 'resulted so highly satisfactorily'. Because of the amount of ore available, he hoped the Battery Company³⁹ would double its number of stampers and expected other batteries to be erected 'at an early date'.⁴⁰ The *Te Aroha News* was typically enthusiastic:

The expectations of the most sanguine have been reached, and in a large majority of cases exceeded by the really excellent returns of the amalgam now at hand at the battery. The columns of this paper have from time to time been very careful in no way to mislead the public by false estimates of quality of quartz to be crushed. Many a time have we been twitted with not publishing various reports received from people who, we have not the slightest doubt, were perfectly sincere in what they thought themselves, but whose judgment and want of experience, was apt to circulate a rather over-exaggerated report of the field.

³⁶ Editorial, *Waikato Times*, 15 November 1883, p. 2.

³⁷ *Thames Star*, 9 November 1883, p. 2.

³⁸ *Thames Star*, 26 November 1883, p. 2.

³⁹ See paper on this company.

⁴⁰ Travelling Correspondent, *Bay of Plenty Times*, 17 November 1883, p. 2.

It had deliberately published only cautious reports to avoid upsetting 'the equilibrium of a patient and long-suffering mining community'. With the first returns, 'we are able to share conscientiously the extreme pleasure and gratification the public feel in the returns of amalgam, far exceeding general expectations'. It predicted that by the end of the week, 2,000 ounces of amalgam would be on hand, and that, after the month's cleaning up and retorting, over 2,000 ounces of melted gold would have been produced. 'Our readers will agree with us' that such a result was 'beyond satisfactory for a new field to yield after the first month's crushing'.⁴¹ Two weeks later, it argued that for four mines to be 'more than payable' was 'a result unprecedented in the annals of quartz mining. The usual bitter experience is that four-fifths turn out failures'.⁴²

By 8 November, the *New Zealand Herald* had decided that the results were

exceedingly satisfactory in every respect. The results are pretty level from day to day, a position which would have been impossible to be maintained had there been any attempt at "salting." All the returns are payable, and it may fairly be inferred, seeing that the claims crushing are not close together, but on different parts of the field, that other claims, working on the same line of reef, will prove quite as rich.

Economic benefits were forecast for the Auckland district and indeed the whole colony. The capital invested would be 'returned with abundant interest' and the settlement of the surrounding countryside would 'be expedited by years'. It was 'quite confidently' expected that the success would 'in a short time cause a very considerable influx of population from the South and from the Australian colonies'.⁴³

From the start of the crushings, a small portion of amalgam from each mine was retorted to discover the proportion of gold it contained; the result was an average of one-fifth. To the *Auckland Weekly News*, this was 'very satisfactory', though 'not quite so high as some anticipated it would be, nor so low as others predicted'.⁴⁴ On instructions from his directors, Adams retorted all the amalgam obtained by 21 November, producing from 16 to 20

⁴¹ *Te Aroha News*, 10 November 1883, p. 2.

⁴² *Te Aroha News*, 24 November 1883, p. 2.

⁴³ *New Zealand Herald*, 8 November 1883, p. 5.

⁴⁴ *Auckland Weekly News*, 17 November 1883, p. 17.

per cent.⁴⁵ Obtaining 857 ounces from 15 days of crushing was considered quite satisfactory, for the stamper boxes were yet to be cleaned out and the tailings treated. Only the result in the Waitoki was poor, so poor that its crushing ceased. The *Auckland Star* reported disappointment in Auckland, which it did not share. 'Extravagant estimates had no doubt been formed, and these were fostered during the crushing by an irregular treatment of the amalgam, but the fact remains that the crushing process proves what was unproven before, that Te Aroha reefs are handsomely payable'.⁴⁶ Informed that retorting 600 tons had produced 870 ounces of gold, the *Te Aroha News* considered the return 'very satisfactory and gratifying'. This result meant an average of one and a quarter ounces to the ton, which would not 'realize the golden dreams of excitable visionaries' but did reveal that at various points over a mile the reefs were payable. 'The even distribution of gold' was a 'justifiable basis for the belief that the average will be sustained. We wish to state in the most unqualified manner that we are perfectly satisfied with the result of the crushing, and look forward to even better returns in the future'.⁴⁷ The *Thames Advertiser* agreed that the results were 'highly satisfactory', as were the prospects of the field, 'fully justifying prompt and energetic working of a very large area'.⁴⁸

At the banquet held on 7 December to celebrate the battery's first cleaning up, two large dishes on the main table each contained 'two globes of retorted gold, the product of the crushing, worth about £5000'.⁴⁹ In all, 1,701 ounces of retorted gold had been produced.⁵⁰ From the start until the battery ceased work for the Christmas holidays on 22 December, 1,573 trucks of quartz, each holding one and a third tons, had been crushed for a return of 2,259oz and 18dwt, an average yield of over an ounce of melted gold per ton. 'Considering the large extent of ground covered by the mines which have crushed, the result cannot be looked upon otherwise than highly satisfactory. Seldom indeed had any new goldfield been found giving such

⁴⁵ H.A. Gordon to Under-Secretary, Mines Department, 24 November 1883, Mines Department, MD 1, 83/1474, ANZ-W; Te Aroha Correspondent, *Auckland Star*, 24 November 1883, p. 2.

⁴⁶ *Auckland Star*, 27 November 1883, p. 2.

⁴⁷ Editorial, *Te Aroha News*, 1 December 1883, p. 2.

⁴⁸ Editorial, *Thames Advertiser*, 6 December 1883, p. 2.

⁴⁹ *Te Aroha News*, 8 December 1883, p. 3.

⁵⁰ W.T. Firth to Hugh Craig, December 1883 [date unreadable], William Thornton Firth Letterbook 1883-1900, MSC 19, Hamilton Public Library.

good results from general dirt'. Thus the *Te Aroha News*, which added that, owing to the insufficient number of berdans, 'a large proportion of the blanketings had to be put aside' for later treatment, which would 'materially increase the returns'. As well, 'the tailings, which have been proved to contain a large percentage of gold', were still to be treated.⁵¹

COLD WATER, NOT HOT

In some of these assessments, a somewhat defensive air may be detected. Apart from the usual return to reality after exaggerated expectations, it was realized that the results were not as high as anticipated because the amalgam had been squeezed in cold water, not hot. This had not been announced when treatment started, and, once known, newspapers warned that the return would be less than if the normal Thames method was used. In a brief warning, the *Thames Star* did not 'wish to throw a damper on the field' but wanted the public to be 'fully informed as to the probable yields'.⁵² Its editorial on the following day regretted that the crushing had been marred by the 'indiscretion', as was 'generally supposed', of not announcing the use of a different method. It had been assumed that one-third of the amalgam would be gold, but with cold water it would be only one-fifth or one-sixth.⁵³ The *Thames Advertiser* agreed that 'a departure from the ordinary practice of local and other batteries ... should have been stated plainly', for both the public and shareholders had been 'expecting a larger yield than may really be obtained, a state of affairs which cannot have a healthy effect upon their faith in the goldfield'. Shares had declined in value once the use of cold water became known.⁵⁴ The *Te Aroha News* noted the same fall in values, but gave no detail of the controversy, merely suggesting that 'no person' at Te Aroha 'thought for one moment that hot water had been used'.⁵⁵ In his response to a letter of 27 November from his directors 'regarding the squeezing of the amalgam in cold water, and asking me if I had received instructions from anyone to do so, and if so, from whom', Adams gave details of how he had directed the treatment:

⁵¹ *Te Aroha News*, 5 January 1884, p. 2.

⁵² *Thames Star*, 13 November 1883, p. 2.

⁵³ Editorial, *Thames Star*, 14 November 1883, p. 2.

⁵⁴ *Thames Advertiser*, 14 November 1883, p. 2.

⁵⁵ *Te Aroha News*, 17 November 1883, p. 2.

I received no instructions from anyone, using my own judgment as battery manager. My reason for using cold water was that, in making some small tests of Colonist and Premier amalgam, I used hot water with the result that, owing to the extreme fineness of the gold, fully three-quarters of the amalgam passed through the squeezing cloth. This I have had happen to me in Grahamstown when treating amalgam from tailings. I did not use hot water in any of the previous [test] crushings.... You will find that each of the mine managers sent telegrams to their respective legal managers as to the result on the first two or three days of cleaning up, and Mr [Hugh] McLiver, manager of the New Find claim,⁵⁶ informs me that in his first report to the directors of the mine he stated that the amalgam was squeezed in cold water, so that if a misunderstanding has arisen, it must have been through a misconception of facts.⁵⁷

No mine manager denied being so informed, and the *Te Aroha News* commented that the treatment had been 'warmly commented on' at the time.⁵⁸ It accepted Adams' explanation, but believed he should have announced his use of cold water when the first return was made public. From his long experience at Thames, he should have known that not telling people would 'prove highly misleading'. Indeed, his delay in explaining the method had created an 'uneasy feeling amongst outsiders concerning the prospects of the field'.⁵⁹ No doubt as a result of the controversy, once the first month's crushing was completed Adams squeezed all future amalgam in hot water, the only exception being the use of cold water for New Find tailings in May 1884.⁶⁰

DISAPPOINTMENT

The crushing showed the New Find and Colonist had the best ore, the Premier and Werahiko was not as good as anticipated, and the Waitoki was

⁵⁶ See paper on the New Find mine.

⁵⁷ H.H. Adams to the Directors of the Battery Company, 30 November 1883, printed in *New Zealand Herald*, 4 December 1883, p. 5.

⁵⁸ *Te Aroha News*, 15 December 1883, p. 3.

⁵⁹ Editorial, *Te Aroha News*, 8 December 1883, p. 2.

⁶⁰ *Waikato Times*, 18 December 1883, p. 2; *Thames Star*, 21 December 1883, p. 2; *Te Aroha News*, 16 February 1884, p. 2, 3 May 1884, p. 2.

not payable.⁶¹ At the first testing of the melted gold at the Bank of New Zealand at Thames, the assay value of New Find gold was £2 13s per ounce, Premier £2 16s 8d, Colonist £2 16s 6d, Werahiko £2 8s 9d, and Waitoki £2 8s 6d. A Waiorongomai correspondent reported 'some surprise' being felt there at these low values. Earlier trial crushings from the F, Inverness, and Welcome claims had produced well over £3 per ounce, 'and people wonder where the difference comes in'.⁶²

The *Te Aroha News* admitted 'a pretty general feeling of disappointment' at the low values, 'especially after the high assays' from the Premier and other mines. As it seemed the gold would be varied in value, as at Thames, 'the price obtained for the first month's crushing must not be taken as the average value'.⁶³ The *Thames Advertiser* reported 'much astonishment' being expressed 'at the wonderful discrepancy in value' between the ore crushed 'and that obtained from previous small tests' of three other mines. The values were no better than the Thames average. 'The Werahiko stuff was known to obtain an unusual percentage of base metal ... but in all other cases the result of the assay came upon the shareholders like a thunderbolt'. Nevertheless, apart from 'a few oversanguine speculators', most people would not 'permit a trifling matter of this nature to seriously damage' their estimation of a field which had 'abundantly proved itself to be a steady gold producer'.⁶⁴

SHARE TRADING – AND MANIPULATION?

Throughout November there was a considerable amount of share trading. On the day after crushing commenced, the local share market 'had a firmer tendency to-night than for some time past, and now that the battery is really under way, will very soon be brisk'.⁶⁵ Another correspondent confirmed that 'the fullest confidence is evinced in the prospects of the field, and mining stock is going up'.⁶⁶ Four days later, the

⁶¹ H.A. Gordon to Under-Secretary, Mines Department, 20 May 1884, *AJHR*, 1884, H-9, p. 1.

⁶² Waiorongomai Correspondent, *Thames Star*, 8 December 1883, p. 2.

⁶³ *Te Aroha News*, 15 December 1883, p. 2.

⁶⁴ *Thames Advertiser*, 10 December 1883, p. 2.

⁶⁵ Te Aroha Correspondent, *New Zealand Herald*, 3 November 1883, p. 5.

⁶⁶ Te Aroha Correspondent, *Waikato Times*, 3 November 1883, p. 2.

market was 'more active'.⁶⁷ On the following day it was reported that people were purchasing shares on the basis of 'the satisfactory result of the crushing', which had 'created considerable commotion throughout the Waikato district. The intelligence of the result of the crushing was anxiously looked forward to at Cambridge and was received with much satisfaction'.⁶⁸ On 15 November, an *Auckland Star* editorial noted 'a flutter on 'Change in Te Aroha stocks, attended with a rapid rise in values. The rich crushing returns fully warrant the change which has come over the mind of the investing public. The district promises to be one of the best quartz-reefing goldfields ever discovered in Australasia'. However, 'knowing the fickle mind of share speculators, and the fanciful expectations which they are apt to indulge', it gave some details of the battery arrangements 'in order that they may not suffer disappointment and loss through ignorance'. It urged investors in mines not yet crushing not to be impatient or to

lose faith because the results are not obtained immediately. Hitherto holders of stock have been singularly patient, and have waited for two years for the interest on their capital. Others must do the same; but now that the Te Aroha reefs have been proved richly payable, abundance of capital will doubtless be forthcoming for crushing power, and the protracted delay for tramway and battery which the earlier mines have had to endure will not be repeated.⁶⁹

By that time, there was 'an extraordinary degree of interest' in the field, 'as shown by the large influx of visitors to the place, every house in the town being full to overflowing, and accommodation of any sort being difficult to obtain. A constant stream of visitors keeps passing through' because the mines, 'particularly the New Find', were 'the centre of attraction'.⁷⁰ Shortly afterwards, after rain fell for some days, the local newspaper grumbled that 'many capitalists have been prevented visiting Waiorongomai by the disgraceful state of the main road', thereby delaying obtaining capital.⁷¹

⁶⁷ Special Reporter, 'Te Aroha', *Auckland Star*, 7 November 1883, p. 2.

⁶⁸ *Waikato Times*, 8 November 1883, p. 2.

⁶⁹ Editorial, *Auckland Star*, 15 November 1883, p. 2.

⁷⁰ Te Aroha Correspondent, *New Zealand Herald*, 13 November 1883, p. 5.

⁷¹ *Te Aroha News*, 24 November 1883, p. 3.

On 16 November, one correspondent stated that holders of shares had ‘every reason to be satisfied with the position of things, and must not sacrifice their interests’.⁷² The following day, another correspondent noted that ‘the depression in the market has been the subject of general conversation to-day, the impression being that some outside influence has been at work to cause it’. Contradictorily, the ‘utmost confidence’ was ‘felt by everyone’. He noted ‘some disappointment’ because cold water was used,⁷³ without making the connection between this treatment and declining values. The *Thames Star* realized that ‘unluckily’ this misunderstanding was not removed before shares reached a price ‘they would not probably have gone to’ had investors known that the method adopted would give a lesser return. It claimed not to have ‘the least desire to impute unworthy motives to any person’ and doubted there were ‘any grounds’ to suggest ‘an evil action was contemplated’.⁷⁴

Others were quite certain that grounds existed. In an editorial written after the intermediate retorting, the *New Zealand Herald* assessed its implications and bluntly raised the issue of sharemarket manipulation:

Although at first sight it is not so satisfactory as was anticipated on the arrival of the first few days’ yield of amalgam, yet it finally settles the question of the new district as a payable goldfield, and if more crushing power were available, several of the claims now crushing would soon be dividend-paying. The lodes are large bodies of stone, and the gold is much superior to that of the Thames in quality. The result of 15 days’ crushing with 40 stampers, about 700 tons, is 857oz, or £2500 worth of gold; but investors are dissatisfied, as is evident from the very serious depreciation in the value of stocks, the majority of which have declined fully one-half. In our issue of the 6th inst. we stated that should the amalgam yield one-third or fourth gold as is usual with the amalgam in the Thames and Coromandel districts, the result would prove beyond the most sanguine expectations, and we stated that we assumed the amalgam was treated and squeezed in hot water, as at the Thames and elsewhere. This was the general opinion of all persons here in Auckland, and on the strength of this shares steadily increased in value, and congratulations flowed all round. In the meantime some suspicions arose here that all was not perfectly fair and above board, from the fact that several well known Te Aroha men were

⁷² Te Aroha Correspondent, *Auckland Star*, 16 November 1883, p. 3.

⁷³ Te Aroha Correspondent, *New Zealand Herald*, 15 November 1883, p. 3.

⁷⁴ Editorial, *Thames Star*, 14 November 1883, p. 2.

forcing their shares on the market, and how to account for this in the face of the magnificent daily returns of amalgam was a mystery. About six days subsequent to the start of the battery the manager of the latter, in reply to inquiries, wired that the amalgam was treated in cold water, and worth about one-fifth gold, a state of things very dismaying to investors here who were under the impression, like ourselves, that the amalgam was treated in the usual way [as] on the Thames. Now, the yield of gold indicates that the amalgam is below the estimate of the battery manager, much of it worth only about one-seventh, while the gross aggregate is only about a sixth, plainly indicating that gross negligence, to say the least, is to be attributed to those who have had charge of the crushing. It was publicly stated yesterday that Messrs Firth and Clark were thwarted for some time in their endeavours to have the amalgam retorted; but the firmness displayed by these gentlemen overcame all obstacles, and through their efforts the public were at last enabled to arrive at the true value of the claims now crushing. The object of those who tried their utmost to stave off the retorting is inexplicable; but it is a well known fact that the parties have been the largest sellers of mining stocks in the market. We regret very much to have to write plainly on these matters, but we are only giving the reflex of public opinion; and it is a great pity that in so early a stage of the new goldfields such circumstances should have arisen. No one can regret more than the proprietors of the battery that anything like unpleasantness should have cropped up, and we are sure that those gentlemen will accept the universal verdict that their conduct throughout has been that of uniform straightforwardness, evincing the most earnest desire to guard against anything bearing a suspicion of evil. The crushing has evidenced that all of the mines are payable, and a good deal more, so that the expectations entertained with regard to Te Aroha will yet be realised.⁷⁵

Such views were typical. The *Observer*, on 1 December, reminded its readers that it had warned that excluding the public from the battery would lead to a collapse in share values.⁷⁶ In fact, it had merely warned of a 'damaging effect', without specifying its nature,⁷⁷ although in hindsight this implication could be read into this phrase.

This secret policy has been followed up throughout to the manifest benefit of a few and the injury of the general public and

⁷⁵ Editorial, *New Zealand Herald*, 27 November 1883, pp. 4-5.

⁷⁶ *Observer*, 1 December 1883, p. 14.

⁷⁷ *Observer*, 3 November 1883, p. 14.

the mines. The public are now retaliating by letting the stock severely alone, but, unfortunately, this comes too late in many cases. The ostentatious publication of returns of amalgam - or, rather, quicksilver - which investors calculated by the usual standard, and the disappointment when it dawned upon them that cold water was the medium of deception, naturally brought about a collapse of investment. Inquiry has revealed that a certain circle has been benefitting at the expense of investors; but we must hold the Battery Company's directors free from blame. They have, no doubt, been hoodwinked.⁷⁸

RUMOURS OF SPECULATION AND INSIDER TRADING

The names of allegedly profiteering speculators were never published, and in the absence of company records it is not possible to identify them. The 'Te Aroha men' mentioned by the *New Zealand Herald*⁷⁹ indicated, not residents of that township, but Aucklanders with financial interests there. In mid-December, a Waiorongomai correspondent reported residents there being 'very wrath with the amalgam manipulators, and would like to know how much money they made at the expense of the whole mining community. It was intended to burn someone', presumably Adams, 'last week, but for the efforts of Messrs Firth and Clark [of the Battery Company] to smooth matters over, and out of respect for them it was not done'.⁸⁰ In response to implications that he was involved in insider trading, guilty of gross mismanagement, and had delayed providing the result of the interim retorting,⁸¹ Adams told his directors he was accused of 'having misled the public, and working the oracle' (meaning to raise money in a cunning and illicit way).⁸²

My actions prove the contrary. I am charged with working the oracle for certain purposes. I hold at the present time, and have held for some time 546 Premier scrip, which have been saleable at 18s per scrip. I also purchased two days before the interim retorting 100 New Find scrip at 14s each. This ought to be quite

⁷⁸ *Observer*, 1 December 1883, p. 14.

⁷⁹ Editorial, *New Zealand Herald*, 27 November 1883, p. 5.

⁸⁰ 'Waiorongomai', *Observer*, 15 December 1883, p. 16.

⁸¹ Te Aroha Correspondent, *New Zealand Herald*, 17 November 1883, p. 5.

⁸² Eric Partridge, *A Dictionary of Slang and Unconventional English*, 8 ed., edited by Paul Beale (London, 1984), p. 1351.

sufficient evidence that I fully believed in the result of the retorting.⁸³

The *Te Aroha News* accepted Adams' explanation of why cold water was used, and considered the *New Zealand Herald* was wrong to impute 'improper motives', but did feel his error of judgment meant he deserved 'some of the censure that has been heaped upon him during the past week or two'.⁸⁴

In a later reminiscence, one prominent miner, John McCombie,⁸⁵ described one attempt to profit by buying, not selling, shares:

Towards the end of each month there was a general clean-up of all the amalgam resulting from the different parcels of ore crushed, especially from the different parcels of ore crushed, especially from the New Find and Premier mines. Shares in both properties were then in strong demand, and the state of the market hinged entirely upon the monthly returns. At 8 a.m., on a certain day, the mill manager issued instructions that the doors were to be locked and no one allowed either in or out until 5 p.m. This was deemed necessary in order to frustrate the speculators' touts who were prowling about the mill trying to get inside information for the benefit of their employers.

The mine manager of the Werahiko, Edward Cameron,⁸⁶ who was inside the battery supervising the crushing of its ore, expected a high return from New Find ore, being treated at the same time, and expected a large increase in its share prices. Pretending to have severe stomach ache, he was allowed to leave the building, whereupon he told his friends what he had seen. 'After a brief consultation they decided to telegraph right away for a big parcel of New Find shares, and they had no difficulty about completing the purchase'. But because of the use of cold water, the return 'was so poor that the market value of the shares came down with a rush, and they never

⁸³ H.H. Adams to the Directors of the Battery Company, 30 November 1883, printed in *New Zealand Herald*, 4 December 1883, p. 5.

⁸⁴ Editorial, *Te Aroha News*, 8 December 1883, p. 2.

⁸⁵ See paper on Billy Nicholl.

⁸⁶ See paper on his life.

rallied afterwards'; Cameron's party was believed to have 'lost about £400'.⁸⁷

This story is undermined by the fact that Adams informed all mine managers he would be using cold water, and Cameron must have observed this method being used. And the value of shares in this company did not go 'down with a rush'. Although he held no shares either in the New Find claim or the company formed in November 1883 to work it, presumably one or more of his party must have, but their names are unknown.

There were persistent rumours about the involvement of Harry Whitaker in share manipulations,⁸⁸ and others were reputedly involved in a conspiracy to defraud. According to 'Nemo', the title of whose column 'At the Corner' referred to Scrip Corner at Thames, where share trading took place, news of cold water treatment 'was somewhat surprising to the uninitiated; why such a proceeding should have been adopted it is difficult to say. We Corner loungers notice some coldness in dealing with Te Aroha stock' since this information was received. 'It was noticed that an Auckland broker thought it was worth his while to spend a day or two amongst us, and a very large number of Te Aroha shares left his hands during his stay'.⁸⁹ It is not possible to identify which of the many brokers was being referred to.

On 28 November, the local correspondent of the *New Zealand Herald* noted 'the continued collapse of the sharemarket' in Waiorongomai stocks, despite the mines being as good as ever.

What, then, is the cause of this depression? There must be a reason somewhere. Why, when everything in the mines looks so promising, and the one event for which we have waited for so long comes to pass, should things take such a turn for the bad, and confidence in the field be so thoroughly shaken as it is being done just now? That several causes have tended to bring about this state of things there is little doubt. The closing of the battery doors against the public has turned out to have been a most serious mistake, and although at the time I was one, and down here the only one, of those who upheld the actions of the company in so doing, circumstances have led me to alter my opinion. This, however, has not been the greatest mistake which has been made

⁸⁷ John McCombie, 'Random Recollections: Te Aroha Goldfield', *Te Aroha News*, 9 November 1925, p. 5.

⁸⁸ See paper on Harry and Charles: Henry Ernest Whitaker and Charles Stanislaus Stafford.

⁸⁹ 'Nemo', 'At the Corner', *Thames Star*, 17 November 1883, p. 2.

at the battery. The cold water squeezing of the amalgam was another very serious blow to the prospects of the crushing, but in this matter people themselves are in some measure to blame for not making themselves better acquainted, as they might have done from the very first, how the thing was being done. It was scarcely to be expected that the Battery Company would, of their own accord, publish what to them was a matter of very little importance, and naturally of course left it for people to find out for themselves. The private test retorting, which took place some six days or so subsequent to the starting of the battery, and which an attempt was made to have kept quiet, but getting known became the talk of the place, was another thing which should never have been allowed to take place. At any rate, it having taken place the fullest information should have been immediately supplied to the public. In Te Aroha the public would not have known to-day what had been the result of that test retorting, had not a telegram, received at the HERALD agency four days after the event had taken place, been posted up outside the office door for general information. In doing what they did, and then keeping the information from the public so long, the mining companies, or the Battery Company, whichever parties were responsible for the action, have laid themselves open to blame. Again, the way in which the retorting took place on Saturday, to say the least of it, was most unsatisfactory. It can hardly be said to be a fair test of the value of the quartz coming from the various mines crushing when it is known that a very considerable amount of gold still remains in the stamper-boxes, which ought to be included in the calculation. Better have left the thing alone than have only half done it. It is said, too, on the best authority on the field, that very much of the gold is, on account of its fineness, not yet being saved, but is going away in the tailings, and that until some tailing machinery is erected, a loss equal to 2oz per ton is being sustained. These are very serious matters to have to write about, but in doing so, I feel I am only giving a reflex of public opinion down here, and until something is done to restore public confidence it will be idle to look forward to any improvement in the state of affairs.⁹⁰

The *Freeman's Journal*, after giving the Battery Company the benefit of the doubt over their good faith over the secrecy and cold water treatment, summarized the impact of rumours on the stock market:

After the stampers had been at work for several days, it was believed, at least in Auckland, from the amalgam returns that the stone crushed contained a large amount of gold.... The amount of

⁹⁰ Te Aroha Correspondent, *New Zealand Herald*, 1 December 1883, p. 6.

amalgam daily obtained warranted the hope that the yield would be at the rate of 2 1/2oz or 3oz to the ton. It was not imagined that the amalgam would be exceptionally treated. In ordinary circumstances three ounces of amalgam may be taken to represent one ounce of gold. The quality of the amalgam may roughly be said to depend on the greater or lesser amount of mercury it contains. The calculation to make, by which to assess the value of the field, would be as simple as possible. So much amalgam; so much gold. A few days, however, before the retorting took place, the statement became bruited abroad that cold water instead of hot had been used in treating the amalgam, and that the yield of gold would be far less than was expected. The statement turned out to be true, and the amalgam, or retorting, was found to be less valuable by one-half than was expected. Te Aroha stock, previous to crushing, had been at a fancy price, and the large returns expected from the hot-water⁹¹ treated amalgam, not only hardened the stock, but caused a considerable advance in its selling price. When the truth became known, prices fell.... Large sales of stock had taken place, however, at the inflated price before the bubble was pricked. In other words, men were induced to purchase Te Aroha stock on false pretences. The law may not be able to touch the operators, and the advantage may remain with them for the present; but time generally tells against knavery. It is a very unpleasant thing to write about, and had the goldfield been of a poorer character than it has proved, a lasting injury may have ensued. The whole matter is one that should be thoroughly investigated, and cleared up.⁹²

No such investigation was made, to the disadvantage of historians, but in the following month the same journal provided additional information. 'The little "ring" we spoke of ... sold stock largely at 17s, that fell to 4s when the cold water process became known'.⁹³ How accurate was this statement, or that of the *New Zealand Herald* that the value of most shares had fallen by 'fully one-half'?⁹⁴ The Thames press had published the news about cold water on 13 November, and an Auckland newspaper had done so two days later.⁹⁵ However, after receiving enquiries from Auckland, Adams had wired

⁹¹ Printed as 'cold-water'.

⁹² Editorial, *Freeman's Journal*, 30 November 1883, p. 9.

⁹³ *Freeman's Journal*, 21 December 1883, p. 10.

⁹⁴ Editorial, *New Zealand Herald*, 27 November 1883, p. 4.

⁹⁵ *Thames Star*, 13 November 1883, p. 2; Te Aroha Correspondent, *New Zealand Herald*, 15 November 1883, p. 3.

this information ‘about six days subsequent to the start of the battery’,⁹⁶ meaning about 7 November, so rumours must have been circulating before being published.

COLLAPSE OF SHARE VALUES

Very little trading was taking place in the shares of companies whose ore was not being crushing, and their values altered only marginally during this month, but all five companies whose quartz was treated saw a big drop in their sale prices. The least impact was on New Find shares, whose highest prices on the Auckland sharemarket was 18s 6d on 13 November; two days later these were 16s 3d and by 21 November were from 12s to 12s 9d. Apart from a small rally immediately afterwards, by late that month sales were for from 10s 6d to 11s, although recovering in early December to 13s.⁹⁷ On the Thames market, shares were sold for 16s 6d on 12 and 13 November before falling steadily, apart from a brief rally on 22 November, ending the month at from 11s 6d to 14s.⁹⁸ They continued to decline gently throughout December.⁹⁹ The Te Aroha market saw the least change, perhaps because the local newspaper correctly reported that everyone there knew cold water was used.¹⁰⁰ Sales were made at from 14s to 16s on 9 November, declining to from 14s to 14s 6d for most of the remainder of the month, but at its end dropped to from 12s to 13s.¹⁰¹ They continued their slow decline during December.¹⁰²

The highest prices for Colonist shares were 8s 9d on 13 November, at Thames; prices then steadily fell on all markets to 3s 6d by the end of the

⁹⁶ Editorial, *New Zealand Herald*, 27 November 1883, p. 4.

⁹⁷ *Auckland Weekly News*, 10 November 1883, p. 24, 24 November 1883, p. 24; *Waikato Times*, 13 November 1883, p. 2, 15 November 1883, p. 2, 20 November 1883, p. 2, 22 November 1883, p. 3, 29 November 1883, p. 2, 4 December 1883, p. 2.

⁹⁸ *Thames Star*, 12 November 1883, p. 2, 13 November 1883, p. 2, 16 November 1883, p. 2, 22 November 1883, p. 2, 29 November 1883, p. 2.

⁹⁹ See paper on the New Find mine.

¹⁰⁰ *Te Aroha News*, 17 November 1883, p. 2.

¹⁰¹ *Te Aroha News*, 10 November 1883, p. 2, 17 November 1883, p. 2, 24 November 1883, p. 2, 1 December 1883, p. 2.

¹⁰² See paper on the New Find mine.

month, with a small rally in December.¹⁰³ The closest prices to the *Freeman's Journal's* details of the 'ring' were in the Premier, although sales were never recorded as high as 17s. Premier sales reached 14s 3d on the Thames market on 8 November and 14s 6d on the same day in Auckland, but fell steadily from 13 November, being only 4s 9d in Thames on 10 December and 4s 2d and 4s 3d in Auckland five days later.¹⁰⁴ The Te Aroha sharemarket had sales as high as 14s and 15s 6d before 10 November, but thereafter values fell as on the other markets.¹⁰⁵ The highest price paid for Werahiko shares was 8s on 16 November at Thames, but by the end of the month sales in Auckland were at 2s, and during December stabilized at that figure on all markets.¹⁰⁶ The highest price paid for Waitoki shares before 10 November was 4s but by late that month they were unsaleable, sellers attempting to unload them by offering first 1s 9d and then 1s 6d.¹⁰⁷

¹⁰³ *Thames Star*, 8 November 1883, p. 2, 13 November 1883, p. 2, 15 November 1883, p. 2; *Waikato Times*, 3 November 1883, p. 2, 6 November 1883, p. 2, 8 November 1883, p. 2, 13 November 1883, p. 2, 15 November 1883, p. 2, 17 November 1883, p. 3, 24 November 1883, p. 2; *Auckland Weekly News*, 17 November 1883, p. 24; *Te Aroha News*, 3 November 1883, p. 2, 10 November 1883, p. 2, 17 November 1883, p. 2, 24 November 1883, p. 2, 1 December 1883, p. 2, 8 December 1883, p. 2.

¹⁰⁴ *Thames Star*, 8 November 1883, p. 2, 13 November 1883, p. 2, 16 November 1883, p. 2, 21 November 1883, p. 2, 29 November 1883, p. 2, 5 December 1883, p. 2, 10 December 1883, p. 2; *Waikato Times*, 8 November 1883, p. 2, 22 November 1883, p. 3, 24 November 1883, p. 2, 15 December 1883, p. 2; *Auckland Weekly News*, 10 November 1883, p. 24, 17 November 1883, p. 24.

¹⁰⁵ *Te Aroha News*, 10 November 1883, p. 2, 17 November 1883, p. 2, 1 December 1883, p. 2, 8 December 1883, p. 2, 15 December 1883, p. 2.

¹⁰⁶ *Thames Star*, 8 November 1883, p. 2, 16 November 1883, p. 2, 19 November 1883, p. 2, 23 November 1883, p. 2, 13 December 1883, p. 2; *Thames Advertiser*, 24 November 1883, p. 3; *Waikato Times*, 6 November 1883, p. 2, 15 November 1883, p. 2, 20 November 1883, p. 2, 22 November 1883, p. 3, 24 November 1883, p. 2, 29 November 1883, p. 2; *Auckland Weekly News*, 10 November 1883, p. 24, 17 November 1883, p. 24, 24 November 1883, p. 24, 1 December 1883, p. 23, 8 December 1883, p. 23; *Te Aroha News*, 3 November 1883, p. 2, 10 November 1883, p. 2, 17 November 1883, p. 2, 24 November 1883, p. 2, 1 December 1883, p. 2, 8 December 1883, p. 2.

¹⁰⁷ *Waikato Times*, 3 November 1883, p. 2; *Thames Star*, 10 November 1883, p. 2; *Te Aroha News*, 3 November 1883, p. 2, 10 November 1883, p. 2, 24 November 1883, p. 2, 1 December 1883, p. 2.

On 17 November, because of the ‘panic’ on the Auckland and Thames markets the *Te Aroha News* attempted to revive confidence. ‘Cold water has been thrown on the sharemarket in Aroha stock in the shape of cold water amalgam’, which it attempted to refute by stressing that everybody at Te Aroha knew cold water was used. ‘Such steady returns as we have had in the past ten days’ would give ‘the investing public confidence, and set the ball rolling again’.¹⁰⁸ In fact, the market at Te Aroha remained ‘dull’, and by mid-December was ‘exceedingly quiet, and likely to continue so for the rest of the year’.¹⁰⁹ Prices never recovered on any market.

FAITH IN WAIORONGOMAI FADES

‘Hot Water’ gave the *Te Aroha News* his views on the controversies surrounding the crushing:

The parties to blame for the loss of confidence are the battery owners or manager of the battery, as they took the whole control out of the mine managers’ hands; this by the order of closing the battery against the shareholders and public; then deviating from the rule of squeezing amalgam in cold instead of hot water, and then having a private retorting, only known to a few mine managers, who were strictly forbidden to mention a word about it by the battery manager, and then at last ordering to retort the amalgam on the 21st, without cleaning out the boxes and putting through the blanketing. If this latter had been done, it would have shown a fair return from each mine, and further the tailings should have been tested, say a ton from each mine. (I understand the tailings have been tested, and show at least two oz per load.) This, put together, would show the public what each mine was turning out. I would advise in future that the mine managers have full control of their gold and quartz, not the battery manager, because his duty is simply to manage his machinery, and the sooner the mines and battery are separated, the better for the shareholders.¹¹⁰

The latter point would recur with increasing complaints that a clique controlled the field. In the same issue, in an editorial referring to the impact of the drop in the share market, it argued that the crushing result was good, but admitted it would

¹⁰⁸ *Te Aroha News*, 17 November 1883, p. 2.

¹⁰⁹ *Waikato Times*, 24 November 1883, p. 2, 13 December 1883, p. 2.

¹¹⁰ Letter from ‘Hot Water’, *Te Aroha News*, 1 December 1883, p. 2.

not realize the golden dreams of excitable visionaries, whose imagination, fired by street corner gossip and pot-house twaddle, have led them to expect a much greater result. It is true that unscrupulous persons, ever ready to play on the idiosyncrasities of human nature for their own selfish ends, will take advantage of the panic of the visionaries aforesaid, and endeavour to create a widespread distrust in the future of the field. But we have too much confidence in the common sense of the people of the Colony generally, to believe that they will let themselves be hoodwinked into a belief against which their reason must rebel.¹¹¹

It did have too much confidence; and commonsense was rarely involved in mining speculation. This newspaper finally admitted, on 8 December, that the crushing had created an ‘uneasy feeling amongst outsiders concerning the prospects of the field’. Implicitly agreeing with ‘Hot Water’, it wanted mine managers to have unlimited control over their own crushings, as on all other fields, and hoped that ‘we have heard the last of this wretched business’.¹¹² It chose not to trouble its readers by repeating the accusations of fraudulent share manipulations. The *Thames Advertiser*, which over the years recorded many deliberate frauds,¹¹³ did not believe all the rumours:

Due allowance must be made in connection with this subject for the proneness to see dodging in almost everything associated with a first crushing exhibited by speculators and others who merely “go into” mining stock with the intention of getting out again as quickly as possible at an enhanced figure, and we doubt not but that these gentry have had much more to do with the rumours regarding deceptive and unfair treatment of the stuff in the battery than anybody else.¹¹⁴

SOME RETAIN CONFIDENCE

¹¹¹ Editorial, *Te Aroha News*, 1 December 1883, p. 2.

¹¹² Editorial, *Te Aroha News*, 8 December 1883, p. 2.

¹¹³ For example, *Thames Advertiser*, 9 December 1875, p. 3, 4 September 1876, p. 3, 12 September 1876, p. 3, 14 December 1885, p. 3.

¹¹⁴ Editorial, *Thames Advertiser*, 6 December 1883, p. 2.

Despite these controversies over the battery treatment and the fall in share values, all newspapers agreed that payable ore existed and that mining would continue for years.¹¹⁵ This was not just newspaper attempts to boost the prospects, for William Thornton Firth,¹¹⁶ a son of Josiah and who was intimately involved with the field, was very sanguine in private letters. When the battery started crushing what he believed to be good ore, he wrote that ‘there is every prospect of this becoming the most important Goldfield in the Colony’.¹¹⁷ A month later, he wrote that the field had ‘gone ahead beyond all expectations, immense quantities of ore are coming to hand which yield 4 and 5ozs per ton, in fact I may almost say that including tailings all the ore that has yet been crushed has yielded over 3ozs per ton’. He expected ‘a good return’ when the battery cleaned up.¹¹⁸ When this was less than he had anticipated, he expected ‘a much larger return’ at the next one.¹¹⁹ The previous year, he had earlier proved his optimism by acquiring shares in one company.¹²⁰ From 1884 to 1888 he became sole owner of one claim, which for a time he worked, an owner of two more, and attempted to acquire another two.¹²¹ He clearly encouraged his brother, Samuel Bateman Firth, to acquire interests with him in the Silver King in 1885.¹²² Before the first crushing, Samuel had interests in one claim and was a director of the

¹¹⁵ See, for instance, *Thames Star*, 26 November 1883, p. 2; editorial, *Waikato Times*, 15 November 1883, p. 2; *Auckland Weekly News*, 1 December 1883, p. 18, Te Aroha Correspondent, 29 December 1883, p. 20; Thames Correspondent, *New Zealand Industrial Gazette and Pastoral and Agricultural News*, 3 December 1883, p. 39.

¹¹⁶ See paper on the Battery Company.

¹¹⁷ W.T. Firth to Douglas Woolley, 4 November 1883, William Thornton Firth Letterbook 1883-1900, MSC 19, Hamilton Public Library.

¹¹⁸ W.T. Firth to W.S. Goodfellow, 4 December 1883, William Thornton Firth Letterbook 1883-1900, MSC 19, Hamilton Public Library [commas added].

¹¹⁹ W.T. Firth to Hugh Craig, December 1883 [date unreadable], William Thornton Firth Letterbook 1883-1900, MSC 19, Hamilton Public Library.

¹²⁰ *New Zealand Gazette*, 23 March 1882, p. 490.

¹²¹ Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888, folios 186, 328, BBAV 11567/1a, ANZ-A; *Handbook of New Zealand Mines* (Wellington, 1887), p. 342; Te Aroha Warden’s Court, Plaintiff Book 1880-1898, 4/1888, 10/1889, 3/1890, BBAV 11547/1a; Register of Applications 1885-1892, folio 60, BBAV 11505/7c, ANZ-A.

¹²² Te Aroha Warden’s Court, Register of Te Aroha Claims 1880-1888, folio 328, BBAV 11567/1a, ANZ-A; *Thames Directory for 1885* (Thames, 1885), p. 127.

company formed to work it, and was a shareholder in another company.¹²³ After the crushing, he had shares in two more companies and was director of one.¹²⁴ Clearly their enthusiasm was genuine.

On 1 December, the *Te Aroha News* wrote that it was

highly gratifying to note the air of confidence which prevails among miners as to the permanency and payable character of the reefs, and whatever depression may be experienced in the Auckland or Thames sharemarkets, it is not reflected by the sentiments of practical men engaged in working the mines. These are one and all thoroughly satisfied that the field is a payable one, and that it will give large and steady returns of gold. The only difficulty which miners see is that of obtaining crushing appliances but it is only a question of time, for if companies show they have payable mines ... men will be found ready to erect appliances where required.¹²⁵

There was universal agreement on the need for more batteries, and several rumours that some might be in the offing.¹²⁶ In mid-November, one exceptionally sanguine local correspondent believed many reefs were 'only waiting the erection of machinery in order to become highly dividend-paying investments. I think I am quite under the mark in stating that, in a very little while, 500 head of stampers could very easily be kept employed by the mining companies at present at work'.¹²⁷ No steps to erect any were taken at this time.

MINING IMMEDIATELY AFTER THE FIRST CRUSHING

¹²³ Te Aroha Warden's Court, Register of Te Aroha Claims 1880-1888, folio 111, BBAV 11567/1a, ANZ-A; *New Zealand Gazette*, 23 March 1882, p. 490, 23 August 1883, p. 1214; Company Files, BBAE 10286/13a, ANZ-A.

¹²⁴ *Te Aroha News*, 12 July 1884, p. 7, 1 June 1889, p. 2.

¹²⁵ 'Mining News', *Te Aroha News*, 1 December 1883, p. 2.

¹²⁶ *Thames Star*, 22 November 1883, p. 2, 12 December 1883, p. 2; *Thames Advertiser*, editorial, 6 December 1883, p. 2, 11 December 1883, p. 3; *Waikato Times*, 13 November 1883, p. 2; *Te Aroha News*, 24 November 1883, p. 2, 15 December 1883, p. 2, 22 December 1883, p. 2.

¹²⁷ Te Aroha Correspondent, *New Zealand Herald*, 14 November 1883, p. 6.

At the banquet celebrating the first cleaning up at the battery, the warden, Harry Kenrick,¹²⁸ cited his 31 years of mining experience as backing his ‘most unwavering faith’ in the field.¹²⁹ Despite such reassuring words, the results had an immediate impact on it. On 1 December, the local newspaper wrote that ‘the rage for pegging out new claims appears to be on the wane’, for none had been recorded during the past week.¹³⁰ Years later, Henry Andrew Gordon, then the Mines Department’s chief inspecting engineer, wrote that miners had been so disheartened by the results that they did not prospect ‘for any distance below the outcrop of the lodes as they should have done’ to test their ground.¹³¹

The first month’s crushing revealed that Waiorongomai was not a poor man’s ground. The lodes were ‘average, if not low, grade’, and miners would have to crush a considerable amount, ‘relying upon the general average yield all round for a payable return, rather than upon occasional patches of rich stone’. This fact required much more crushing power, for anything but ‘an extended scale’ of mining ‘must inevitably prove abortive’.¹³² There was ‘a general opinion’ that the silver lodes would ‘pay better than the best of the gold-producing ones now crushing’. Assuming the prerequisites of more prospecting, more crushing power, and more capital, one optimist claimed there was ‘no reason to doubt but that Te Aroha will be one of the best paying quartz fields in the colony’.¹³³

As too many claims were being shepherded until the results of the crushing were known, Kenrick insisted that they be either manned or forfeited.¹³⁴ After the Christmas holidays, he planned to investigate how much work was being done, which pleased the local newspaper, for the number of claims required about 2,000 miners, ‘instead of which we have about 250’.¹³⁵

That there was a need for more prospecting after two years of investigations emphasized how little was known about the geology or the

¹²⁸ See paper on his life.

¹²⁹ *Te Aroha News*, 8 December 1883, p. 3.

¹³⁰ *Te Aroha News*, 1 December 1883, p. 2.

¹³¹ Henry A. Gordon to Minister of Mines, 24 July 1895, *AJHR*, 1895, C-3, p. 66.

¹³² Editorial, *Thames Advertiser*, 6 December 1883, p. 2.

¹³³ Special Reporter, *Thames Advertiser*, 11 December 1883, p. 3.

¹³⁴ *Te Aroha News*, 24 November 1883, p. 2; Special Reporter, *Thames Advertiser*, 10 December 1883, p. 3.

¹³⁵ Editorial, *Te Aroha News*, 22 December 1883, p. 2.

real value of the reefs. In early December, the *Thames Star* sent a special reporter to investigate the prospects. His assessment began by summarizing the reefs and explaining that the main one had 'a vast number of small reefs and leaders' striking off on both sides:

These, with other reefs and leaders parallel to the main one, make a regular network of quartz lodes all the way up the Waiorongomai creek on the left hand side, where the mass of the claims are situated. Pretty well all these reefs and leaders which have been tested either carry gold visible to the naked eye, or else they show gold, sometimes an excellent coarse prospect, on a piece of quartz being ground up. This is a feature not generally met with at the Thames, and shows that the precious metal is more evenly distributed at Te Aroha. After visiting the chief claims at work, seeing the quality and immense proportions of the reefs, the suitability of the precipitous nature of the country for cheap working, and bearing in mind the satisfactory return from the first month's crushing, there can be no doubt but that a large and payable field will yet be opened up, though its development will necessarily be somewhat slow, because it depends on the erection of cheap crushing power, which in a new district always takes a long time. The question is asked, as at the Thames, Does the gold go down? This question cannot be settled yet, as no really deep level has been put in, though on the other hand nothing has been brought to light to prove the contrary. It is true that gold was not found in the Premier and Werahiko low levels, neither of them 200 feet below the surface, but it must be remembered that no driving has been done in either case, the lodes having simply been cut through, which might easily be done in a good reef without seeing gold. It is also worthy of remark that the country around the main reefs is different to that on the Thames; it is of a bluish nature, and harder, and I have heard it argued that as the reefs carry good gold in this tight country at the surface, the gold is not so likely to be pinched out downwards by hard bars as if it was softer near the surface. However, this question of the payableness of lower levels will have to wait for settlement till more work has been done, but in the meantime it is certain that even in the surface blocks already tested there is an enormous extent of ground to take out. The number of leases taken up on the field is very large, and there is an abundance of leaders worthy of prospecting; but it is argued that it is no use putting on men and having to make calls to pay them their wages, when there is no immediately prospect of being able to crush. The field is at present heavily handicapped for want of crushing power.... Considering the short time that has elapsed since the gold was

first discovered, and the difficulties which had to be contended with, the field is well opened up.¹³⁶

One local correspondent admitted that it was 'hard to hide' a 'certain degree of disappointment' following the first crushing.

That it could be anything else with the high notions some people had formed is not to be wondered at; and yet for all that, to any reasonable mind the result cannot be looked upon as anything else than satisfactory, for it has been proved that our large reefs with ordinary crushing power are worth from 1 to 2oz per ton, and that by the addition of tailing mills this result may be increased by fully one-third.... I would remark that very much of the success of this place now depends on our having good management. This is not like a field where we have rich specimen quartz to deal with, and can afford to be sometimes a little lavish in expenditure. Everything here will have to be done on the most economical principles, and expenses kept down to the lowest possible scale.¹³⁷

After the first crushing, the New Find Company paid the first dividend on the field, one shilling per share.¹³⁸ It was hoped that this payment would be 'several times repeated', with other mines 'able to follow suit'.¹³⁹

A BAD REPUTATION

That the goldfield was saddled with a bad reputation was illustrated by a song, 'Te Aroha Touches', an 'encore song' written by a Thames satirist, Richard Wiseman,¹⁴⁰ and performed by him at the Oddfellows' Anniversary on 28 January 1884:

And now about the Upper Thames, Te Aroha, golden mountain,
Where all who went there made their piles, gold-flowing like a
fountain -
That is, they all would have grown rich, there's little cause to
doubt it.

¹³⁶ Special Reporter, 'A Trip to Te Aroha Goldfield', *Thames Star*, 12 December 1883, p. 2.

¹³⁷ Te Aroha Correspondent, *New Zealand Herald*, 19 December 1883, p. 6.

¹³⁸ *Thames Advertiser*, 10 December 1883, p. 3.

¹³⁹ *Thames Advertiser*, 25 December 1883, p. 2.

¹⁴⁰ See *Thames Advertiser*, 15 October 1880, p. 3, 11 November 1880, p. 2, 4 March 1881, p. 3; *Thames Star*, 14 December 1881, p. 2; *New Zealand Herald*, 16 October 1896, p. 5.

If they had only known the way. I'll tell you all about it.

First learn the oracle to work; 'tis easy when you know it;
'Tis a premier plan, and answers well, each W---y C--r¹⁴¹ can show
it.

First cheaply buy, and largely hold; next edit locals gushing;¹⁴²
Crack up the mine, the scrip will rise; sell out before the crushing.

You show the plans and specimens, describe the claim delighting,
Bait well your hook, play with the flats,¹⁴³ and when they's near
to biting,

“Regret that you no interest hold; the reef there is not such - ah!
You think you know who'll part with some: - J.P., or p'raps the
butcher.

If you hold any scrip yourself, suspicion you'll be under;
A “pal” must help to work the game,¹⁴⁴ and you can share the
plunder.

Then sell the paper,¹⁴⁵ and clear out;¹⁴⁶ the ill-feeling soon will
dwindle,

When 'tis blown o'er, go back again and work another swindle....

Meanwhile, Te Aroha's thrown far back; the “withering” blasts
upon it.

Now hangs a gloom where all was bright; success, they'd well
nigh won it.

What matters who may ruined be, or who their all expended
In building stores and buying goods? their prospects fair now
ended.

So that unscrupulous schemers thrive by other people's ruin;
Whole districts are now languishing thro' such nefarious doing.
Manipulating of the scrip, and the cold water squeezing;
And to reduce the miner's wage the chance some now are
seizing....¹⁴⁷

¹⁴¹ Willy Carr, otherwise Thomas William Carr, who became a merchant at Te Aroha without any capital and was bankrupted in March 1883: see paper on his life.

¹⁴² Presumably a reference to *Te Aroha News* editorials praising the mines when owned by Whitaker.

¹⁴³ Meaning a flat fish.

¹⁴⁴ Referring to a ‘dummy’ trading in shares on behalf of the speculator.

¹⁴⁵ Whitaker sold the *Te Aroha News* in November 1883: *Thames Star*, 9 November 1883, p. 2.

¹⁴⁶ If that is meant to refer to Whitaker leaving Te Aroha, it was premature, for he remained there for several more years: see paper on Harry and Charles.

What will the Auckland merchants say! P.N.'s,¹⁴⁸ unpaid,
 returning;
 Will they not frown upon the cause, with indignation turning?
 Insolvencies now loom ahead, the look-out is alarming;
 How now about the prophecy - "The hills, with twenty
 thousand¹⁴⁹ swarming?"¹⁵⁰

CONCLUSION

The bets reported at the start of this paper were lost, and the prophecy was unfulfilled. After all the high expectations, the first crushing, with all its overtones of dishonesty, turned out to be a very bad start to the new field, which would struggle to overcome the bad reputation many gave it.

¹⁴⁷ See paper on the strike for the significance of this comment.

¹⁴⁸ Promissory Notes.

¹⁴⁹ A reference of James McCosh Clark's prophecy for the number of miners who would work at Waiorongomai (and, as the poet had missed, at Karangahake) in the future: *Waikato Times*, 14 July 1883, p. 2.

¹⁵⁰ Richard Wiseman, 'Te Aroha Touches', printed in *Thames Star*, 30 July 1927, p. 6.