PROTECTION OF AUTHOR’S COPYRIGHT

This copy has been supplied by the Library of the University of Otago on the understanding that the following conditions will be observed:

1. To comply with s56 of the Copyright Act 1994 [NZ], this thesis copy must only be used for the purposes of research or private study.

2. The author's permission must be obtained before any material in the thesis is reproduced, unless such reproduction falls within the fair dealing guidelines of the Copyright Act 1994. Due acknowledgement must be made to the author in any citation.

3. No further copies may be made without the permission of the Librarian of the University of Otago.
HIGH STREET QUAKING

A HISTORY OF DUNEDIN'S "INNER CIRCLE"

F.R.J. Sinclair

A thesis submitted for the degree of

Doctor of Philosophy

at the University of Otago, Dunedin,

New Zealand

March 1996
ABSTRACT

This study plots the history of Dunedin's "inner circle", a group roughly equivalent to the "limited circle" of Stone's Auckland business community. The "inner circle" is defined and located in the structure of business around 1870. Its role within the major limbs of the Otago economy is assessed and the social development of the wider business community is examined against the background of demographic and economic change in the 1860s.

The influence of business interests in Provincial politics is examined and the constraints upon that influence are considered. The business community is shown to have become a more conspicuous social group through its political opposition to the Otago "Liberal Party".

Otago's interaction with other centres of business power is illustrated by several developments arising from the expansion of the BNZ and its associated companies. These events aggravated divisions within the "inner circle", producing antagonisms that affected ventures such as the New Zealand Agricultural Company.

Revisionist interpretations of the Long Depression are reviewed as part of a survey of the Otago economy in the 1880s. This discussion forms the background to the later progress of the "inner circle". The idea of the business community as a social elite is tested against the experience of this group as revealed in preceding sections. There are also some observations about the supposition that Otago exhibited a distinctive morality of business because of its Free Church origins.
# TABLE OF CONTENTS

## VOLUME ONE

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>ii</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>iii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>ix</td>
</tr>
<tr>
<td><strong>INTRODUCTION</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>PART ONE</strong></td>
<td></td>
</tr>
<tr>
<td>THE BUSINESS COMMUNITY IN THE 1870s:</td>
<td></td>
</tr>
<tr>
<td>COMPOSITION AND STRUCTURE</td>
<td>15</td>
</tr>
<tr>
<td>Introduction</td>
<td>15</td>
</tr>
<tr>
<td>Chapter One Members of the &quot;Inner Circle&quot;</td>
<td>23</td>
</tr>
<tr>
<td>Chapter Two The &quot;Inner Circle&quot; and the Otago Economy</td>
<td>59</td>
</tr>
<tr>
<td>Conclusion</td>
<td>121</td>
</tr>
<tr>
<td><strong>PART TWO</strong></td>
<td></td>
</tr>
<tr>
<td>ECONOMIC AND SOCIAL DEVELOPMENTS</td>
<td>122</td>
</tr>
<tr>
<td>Introduction</td>
<td>122</td>
</tr>
<tr>
<td>Chapter One The Economic Background of the 1860s and the Economic Setting of the 1870s</td>
<td>123</td>
</tr>
<tr>
<td>Chapter Two The Social Development of the Business Community</td>
<td>142</td>
</tr>
<tr>
<td>Conclusion</td>
<td>153</td>
</tr>
<tr>
<td><strong>PART THREE</strong></td>
<td></td>
</tr>
<tr>
<td>POLITICS AND THE BUSINESS COMMUNITY</td>
<td>154</td>
</tr>
<tr>
<td>Introduction</td>
<td>154</td>
</tr>
<tr>
<td>Chapter One The Political Background to the &quot;Liberal&quot; Era</td>
<td>155</td>
</tr>
<tr>
<td>Chapter Two The Business Community and the Otago &quot;Liberal Party&quot;</td>
<td>209</td>
</tr>
<tr>
<td>Conclusion</td>
<td>266</td>
</tr>
<tr>
<td><strong>PART FOUR</strong></td>
<td></td>
</tr>
<tr>
<td>MAJOR CORPORATE DEVELOPMENTS</td>
<td>267</td>
</tr>
<tr>
<td>Introduction</td>
<td>267</td>
</tr>
<tr>
<td>Chapter One The National Business Environment and the BNZ</td>
<td>268</td>
</tr>
<tr>
<td>Chapter Two The BNZ and NZLMACo in Dunedin in the 1870s</td>
<td>294</td>
</tr>
<tr>
<td>Chapter Three The New Zealand Shipping Company and the Home Shipping Trade</td>
<td>313</td>
</tr>
<tr>
<td>Chapter Four The Significance of the BNZ's Relationship with Otago</td>
<td>336</td>
</tr>
<tr>
<td>Chapter Five The New Zealand Agricultural Company</td>
<td>341</td>
</tr>
<tr>
<td>Conclusion</td>
<td>362</td>
</tr>
</tbody>
</table>
# Table of Contents

**VOLUME ONE**  
(continued)

**PART FIVE**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>THE &quot;INNER CIRCLE&quot; AND THE DEPRESSION OF THE 1880s</td>
<td>363</td>
</tr>
<tr>
<td>Chapter One</td>
<td>Developments in the Rural Sector 1879-90</td>
<td>368</td>
</tr>
<tr>
<td>Chapter Two</td>
<td>Banking and Finance</td>
<td>385</td>
</tr>
<tr>
<td>Chapter Three</td>
<td>The Corporate Sector</td>
<td>398</td>
</tr>
<tr>
<td>Chapter Four</td>
<td>The &quot;Inner Circle&quot; after the 1870s</td>
<td>408</td>
</tr>
<tr>
<td>Conclusion</td>
<td></td>
<td>453</td>
</tr>
</tbody>
</table>

**PART SIX**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conclusion</td>
<td>FURTHER HISTORIOGRAPHICAL ISSUES</td>
<td>457</td>
</tr>
<tr>
<td></td>
<td></td>
<td>479</td>
</tr>
</tbody>
</table>
Table of Contents

VOLUME TWO

Appendix 1  Table Showing the Value of Exports from Otago 1861-1887
Appendix 2  Census Information: 1871
Appendix 3  Members of the Business Community
Appendix 4  Directors and Club Members from Appendix 3
Appendix 5  Important Overseas Connections of the Otago Business Community
Appendix 6  Business and Family Connections within the "Inner Circle"
Appendix 7  Notes on Certain Members of the Canterbury & Otago Association and New Zealand & Australian Land Company
Appendix 8  Bales of Australasian Wool Received by Companies and Private Firms in Britain in 1882
Appendix 9  Further Notes on the Career of David Proudfoot
Appendix 10  Runholders in Otago and Southland: 1870
Appendix 11  Maps of Runs Referred to in Appendix 10
Appendix 12  Nationality of Runholders in Appendix 10
Appendix 13  Religious Denominations of Runholders from Appendix 10
Appendix 14  Financial Position of Runholders in Appendix 10
Appendix 15  Runholders' Duration of Tenure: 1870-89
Notes to Appendix 15
Appendix 16  Runholders of 1870 Present in the Sheep Return of 1889
Appendix 17  Table Showing the Increase in Mortgages Registered in New Zealand: 1873-1881
Appendix 18  Australasian Finance Houses and their Borrowing: 1884
Appendix 19  Major Importers in Otago c.1870
Appendix 20  Selection of Dunedin's Important Manufacturing Enterprises in 1870
<table>
<thead>
<tr>
<th>Appendix 21</th>
<th>Dunedin-based Coal Companies: 1870s and 1880s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix 22</td>
<td>Directors and Shareholders of Dunedin Coal Companies</td>
</tr>
<tr>
<td>Appendix 23</td>
<td>Conflicts and Marital Connections within Otago's Legal Profession</td>
</tr>
<tr>
<td>Appendix 24</td>
<td>Runholders or Former Runholders who became Insolvent or Bankrupt in the 1860s and Early 1870s</td>
</tr>
<tr>
<td>Appendix 25</td>
<td>Club Members Insolvent or Bankrupt by 1871</td>
</tr>
<tr>
<td>Appendix 26</td>
<td>Notes on John Hyde Harris</td>
</tr>
<tr>
<td>Appendix 27</td>
<td>Directors of Companies with a Nominal Capital of £50,000 or More</td>
</tr>
<tr>
<td>Appendix 28</td>
<td>Directors and Provisional Directors of Companies in Otago</td>
</tr>
<tr>
<td>Appendix 29</td>
<td>Directors of the Colonial Bank, National Insurance Company, Union Steam Ship Company and Westport Coal Company</td>
</tr>
<tr>
<td>Appendix 30</td>
<td>Directors of the National Insurance Company: 1873-90</td>
</tr>
<tr>
<td>Appendix 31</td>
<td>Directors of the Colonial Bank: 1875-95</td>
</tr>
<tr>
<td>Appendix 32</td>
<td>Notes on the Otago Club</td>
</tr>
<tr>
<td>Appendix 33</td>
<td>Notes on Larnach's Benefactions</td>
</tr>
<tr>
<td>Appendix 34</td>
<td>Selection of Voters Who Pledged Themselves to McMaster and Richardson in the Superintendency Election of 1861</td>
</tr>
<tr>
<td>Appendix 35</td>
<td>The Maps of the Otago Goldfields in 1868</td>
</tr>
<tr>
<td>Appendix 36</td>
<td>Sums Expended on Improvements to Certain Runs: 1867-69</td>
</tr>
<tr>
<td>Appendix 37</td>
<td>Selection of Voters Who Pledged Themselves to Thomas Dick in the Superintendency Election of 1867</td>
</tr>
<tr>
<td>Appendix 38</td>
<td>Goldfields Politicians in the Otago Provincial Council</td>
</tr>
<tr>
<td>Appendix 39</td>
<td>Extracts from the Echo and Southern League</td>
</tr>
<tr>
<td>Appendix 40</td>
<td>Notes on the Consolidation of Provincial Loans</td>
</tr>
<tr>
<td>Appendix 41</td>
<td>Some Members of Parliament with Financial Connections to the BNZ and NZLMA Co</td>
</tr>
</tbody>
</table>
# Table of Contents

## VOLUME TWO (continued)

- **Appendix 42**  Notes on Edward Wakefield
- **Appendix 43**  Notes on the *Otago Guardian*
- **Appendix 44**  Notes on Robert Stanford and *Stanford v The Liquidators of the Otago Daily Times & Witness Company*
- **Appendix 45**  Shipping Companies and Exports from Otago: 1876
- **Appendix 46**  Letters Concerning the New Zealand Shipping Company
- **Appendix 47**  Letters to the *Otago Guardian* Concerning the BNZ
- **Appendix 48**  Sheep Losses on Otago and Southland Runs
- **Appendix 49**  The Quantity and Value of the Australasian Wool Clip for Each of the Years from 1872 to 1888
- **Appendix 50**  Run and Estate Holders in Financial Difficulties after 1878
- **Appendix 51**  J.M. Ritchie Letters Concerning Economic Conditions
- **Appendix 52**  Obituary of James Morton
- **Appendix 53**  Newspaper Extracts Concerning the Position of the BNZ
- **Appendix 54**  Otago Companies Registered Before 1884 with a Nominal Capital of £50,000 or More
- **Appendix 55**  Article Concerning the Henty Failure
- **Appendix 56**  Colonial Bank Accounts Taken Over by the BNZ
- **Appendix 57**  Classification of Certain Colonial Bank Accounts
- **Appendix 58**  Criticism of the Report of the Guthrie & Larnach Company
- **Appendix 59**  Social Life in Dunedin Towards the Turn of the Century
- **Appendix 60**  Religious Affiliations of Club Members: 1863-1880
  - Religious Affiliations of Non-Club Businessmen Members of the Dunedin Club: 1863-80
- **Appendix 61**  Scottish Societies
- **Appendix 62**  Sons of Otago Runholders and Businessmen at Christ's College
Table of Contents

VOLUME TWO (continued)

Appendix 63  Illustrations
Appendix 64  Maps of the New Zealand Agricultural Company’s Waimea Estate

BIBLIOGRAPHY
**LIST OF ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIBR</td>
<td>Australasian Insurance and Banking Record</td>
</tr>
<tr>
<td>AJHR</td>
<td>Appendices to the Journals of the House of Representatives</td>
</tr>
<tr>
<td>AMFLCo</td>
<td>Australian Mortgage Land &amp; Finance Company</td>
</tr>
<tr>
<td>A&amp;NZMCo</td>
<td>Australia and New Zealand Mortgage Company</td>
</tr>
<tr>
<td>ANZ</td>
<td>Australia and New Zealand Bank</td>
</tr>
<tr>
<td>BNZ</td>
<td>Bank of New Zealand</td>
</tr>
<tr>
<td>CI&amp;ACo</td>
<td>Colonial Investment &amp; Agency Company of New Zealand</td>
</tr>
<tr>
<td>MHR</td>
<td>Member of the House of Representatives</td>
</tr>
<tr>
<td>MPC</td>
<td>Member of the Provincial Council</td>
</tr>
<tr>
<td>NMACo</td>
<td>National Mortgage &amp; Agency Company</td>
</tr>
<tr>
<td>NZJH</td>
<td>New Zealand Journal of History</td>
</tr>
<tr>
<td>NZLMACo</td>
<td>New Zealand Loan &amp; Mercantile Agency Company</td>
</tr>
<tr>
<td>NZLR</td>
<td>New Zealand Law Reports</td>
</tr>
<tr>
<td>NZM&amp;ICo</td>
<td>New Zealand Mortgage &amp; Investment Association</td>
</tr>
<tr>
<td>NZSCo</td>
<td>New Zealand Shipping Company</td>
</tr>
<tr>
<td>ODT</td>
<td>Otago Daily Times</td>
</tr>
<tr>
<td>OESM</td>
<td>Otago Early Settlers' Museum</td>
</tr>
<tr>
<td>OSIco</td>
<td>Otago &amp; Southland Investment Company</td>
</tr>
<tr>
<td>SS&amp;Co</td>
<td>Shaw Savill &amp; Company</td>
</tr>
<tr>
<td>USSCo</td>
<td>Union Steam Ship Company</td>
</tr>
<tr>
<td>VPOPC</td>
<td>Votes and Proceedings of the Otago Provincial Council</td>
</tr>
<tr>
<td>VPSPC</td>
<td>Votes and Proceedings of the Southland Provincial Council</td>
</tr>
<tr>
<td>WCC</td>
<td>Westport Coal Company</td>
</tr>
</tbody>
</table>
INTRODUCTION

The Concept of a Business Community and an "Inner Circle"

It is argued in this thesis that there was an identifiable business community in Otago around 1870, within which stood an "inner circle" - a group of men who played a decisive role in the commercial affairs of the Province. Our main concern lies with the history of this "inner circle". Indeed, the principal purpose of defining a wider business community is to supply context to the lives of the smaller group. There are problems of selection to be resolved in the case of both groups. These are discussed in Part One, where the reason for choosing 1870 as the focal date is also explained.

Once the empirical foundation has been laid, we may attempt to answer a series of questions. In part, these questions are suggested by the existing literature, but more often they arise from the evidence itself. They cover a range of issues: the nature of the commercial environment, the social development and political behaviour of the business community, responses to national developments in business and politics and the impact of the long depression.

The sources of Otago's business history are particularly rich. They often permit the study of commercial leaders to be pursued at an unusually intimate level. Whenever possible, the opportunity to explore this private dimension of business has been taken up. The Otago business community was a small and very personal society and its behaviour may best be explained by the examination of individual cases.

New Zealand Business Communities

The emphasis on the "inner circle" is important for another reason. It provides the main point of comparison with Stone's Makers of Fortune, which remains the only detailed history of a business community in nineteenth-century New Zealand. His study has two major strands. The first is the explanation of a phenomenon peculiar to Auckland. During the early 1880s, while the rest of the

---

country languished in recession and its own rural economy stagnated, metropolitan Auckland continued to enjoy the boom conditions of the 1870s. The sudden reversal of this trend did not occur until fairly late (Stone identifies 1886 as the turning point).\(^1\) A second concern is the story of the city's business community during this swing from prosperity to depression. In particular, it is the story of Auckland's most powerful capitalists, a coterie united in ventures both local and national, and commonly referred to as the "limited circle".

Dunedin and Auckland were the hubs of business power in nineteenth-century New Zealand, but Dunedin had no distinct equivalent of the "limited circle". By the end of the 1860s, it did, however, possess a small group of men whose stature in the business world marked them as the southern counterparts of Stone's "merchant princes".\(^2\) There was no contemporary label for these individuals - the term "inner circle" is merely a convenient way to distinguish them from the wider business community.

Stone drew the careers of Auckland's businessmen against a detailed exposition of the city's economy. This study differs from Stone's because it considers a longer period and pays more attention to the effects of economic fluctuations than to their underlying causes. It does, however, follow Stone's example of providing detailed biographical portraiture. One third of his book is devoted to the lives of the great Auckland capitalists. Patterson's recent research on business in Wellington confirms the appropriateness of this methodology. His procedure has been shaped by two discoveries:

One was that the broken nature of the extant statistical data did not easily lend itself to sophisticated manipulation. Another was that if I really wanted to know what happened, it was essential that I concentrate on people; people as individuals as well as in aggregate. As an alternative to the "great man syndrome", I settled on what is essentially a "collective biography" approach.\(^3\)

The state of knowledge about Otago business has demanded a similar approach. There are several company histories, but these pay only passing attention to the

---

\(^1\) R.C.J. Stone, *Makers of Fortune*, p. 64.


\(^3\) B.R. Patterson, "Whatever Happened to Poor Waring Taylor? Insights from the Business Manuscripts", *The Turnbull Library Record*, Vol. XXIV, No. 2, October 1991, p. 120.
evolution of the mercantile world as a whole. Existing biographies likewise suffer from a narrowness of perspective, for the social and economic background is usually lacking. Little is known about Otago's business leaders. They are, for the most part, mere names upon the pages of existing provincial histories. A number of the more important figures scarcely rate a mention.

Apart from Stone's work, published research that directly relates to this thesis is scant. Eldred-Grigg's controversial portrayal of South Island landowners in A Southern Gentry has provoked some investigation into the nature of rural capitalism in Otago. In his interpretation, urban commerce is of peripheral importance and the response to his argument has tended to avoid any thorough examination of the commercial capitals of the South Island. Aspects of his argument are considered in this thesis because they have implications for a vital part of the Otago economy, the pastoral industry.

Olssen's A History of Otago is more relevant. This was the first publication to treat Otago's business leaders as a distinct element of provincial society. Olssen did not analyse these men as a collection of individuals comprising the business community at a given time. Instead, he depicted them as part of an "elite", a social category that he argues existed in various forms from the 1850s. He makes some general statements about the composition of the "elite": it made up about 4% of the population in the 1880s and club membership was important. Several representative businessmen are actually named.

In general, however, this "elite" remains a fairly anonymous group. By identifying the business community as proposed here, it is possible to test the supposed attributes of the "elite" against the experience of a more defined selection of men. There are limits to such comparisons. One obvious constraint is the extent to which the "elite" and the business community overlapped. The imperfect nature of the empirical data is another limitation. It should also be noted that our survey

---


3 S. Eldred-Grigg, A Southern Gentry, pp. 55, 56.

provides no more than a sounding of the business community at one date, whereas the "elite" is portrayed as a constant feature of Otago society over a number of decades. Nevertheless, the procedure adopted here provides some means of measuring the gap, if any, between assumption and evidence. This is a secondary objective. The main purpose of the thesis is to illuminate the history of the "inner circle".

Overseas literature

Studies of business communities in developed industrial societies have little application to Otago in the nineteenth century. There is greater resonance with the Australian colonies, especially Victoria. These possessed similar economies and had begun redefining the terms of business and social life to suit local conditions. Such trends and innovations substantially directed Otago's development in these matters, but the Australian literature usually suggests only general comparisons.

Like Stone's Makers of Fortune, Davison's history of Melbourne is concerned with the transition from boom to depression in the 1880s and 1890s. Davison views the mercantile community as a diverse assemblage, initially drawn to Melbourne by the goldrushes and rapidly changed by "the rigours of business life... into a coherent elite." During the 1880s, Melbourne enjoyed a spectacular burst of growth, yet Davison maintains that the seeds of decline were already planted within this mercantile elite. The traditional niche of the merchants was undermined by a series of changes to the structure of commerce. Improved communications between the colony and its overseas markets reduced the demand for mercantile credit. Local manufacturers captured more of the consumer market. Foreign manufacturers began to finance exports themselves, leaving colonial merchants to work on a commission basis or by-passing them altogether. Sales were increasingly managed by agents who traded on the exporter's funds, undermining the independence of the local merchant as a capitalist importer. Melbourne's position as the centre for re-export to the Pacific and Australasian colonies was also under threat as manufacturers showed greater willingness to supply these markets directly.

By the 1890s, Melbourne's mercantile community was "being eclipsed by a new elite drawn from the ranks of financiers, professional men and their old rivals the manufacturers."¹ While the Melbourne economy boomed, the group that had previously enjoyed pre-eminence in the commercial world and that had once seemed "socially all but invincible" was gradually displaced in a reorganisation of the terms of business.² This change had begun before the slump had set in and in the absence of a serious political threat to the city's merchants.

Cannon's account of the Melbourne land boom describes the underpinnings of the speculative bubble, the worst scandals and the principal actors. It is in many ways a study of the business morality of the period and has been criticised for conveying an impression of all-pervading corruption.³ De Serville's history of the upper class in Victoria, covering the period 1850-1880, has closer parallels with this thesis.⁴ De Serville perceives three components of the Victorian upper class: those who were gentlemen by birth, the urban rich and the pastoralists. These were not rigid divisions: the three groups had shared interests and there was some overlapping of membership.⁵ Conflicts between the urban and pastoral sections of the upper class were apparent as early as the 1840s.⁶ This theme is developed in other Australian writing, but there was no comparable division in Otago society during the same period, possibly because of the small size of the urban business sector and its dependence on the pastoral industry.⁷

De Serville's work may be characterised as a study of the uncertainties confronting the upper class in the aftermath of the goldrushes. The circumstances of life in the colonies posed problems of identity for members or would-be members of this social stratum. This is also apparent from Hirst's history of the rise of democracy in New South Wales and similar tensions are discernible in Otago.⁸ But de Serville's book is not a history of a business community as the term is used here. Perhaps because of these social ambiguities, de Serville fights shy of any simple definition of the Victorian upper class, although his interpretation is based upon detailed research into the gentlemen's clubs. We are warned that

¹ G.J. Davison, The Rise and Fall of Marvellous Melbourne, p. 40.
² G.J. Davison, The Rise and Fall of Marvellous Melbourne, p. 20.
⁵ P. de Serville, Pounds and Pedigrees, p. x.
⁶ P. de Serville, Pounds and Pedigrees, p. iii.
Melbourne society in this period "was, and long remained amorphous, and often its outlines and composition are sensed, rather than susceptible to the neat dissections favoured by the social scientist." This fluid analysis may be in keeping with historical complexities, but it leaves little room for comparisons with this study, which is concerned with the fortunes of a discrete body of men selected from within a narrow time span.

The method adopted here of dividing the business community in two parts has coincidental parallels with Katz’s study of a rural Canadian town, Hamilton, in the mid-nineteenth century. Katz focuses on what he calls "the entrepreneurial class" of Hamilton at a time when class relations appeared to be sharply defined. A railway strike in 1850 had threatened the interests of "the entrepreneurial class" and some of its members mobilised to counter this challenge. For reasons that are explained below, the business community of Otago was in a similar position in 1870.

Hamilton in 1850 and Dunedin in 1870 were cities of roughly equal size. Relying chiefly on "visibility" over two years in newspapers, government statistics and credit records, Katz identified 161 men who were linked with the main forms of commercial activity or who were involved in the public affairs of the city. This group formed "an overlapping elite." It is comparable to the 161 businessmen selected on different criteria from Dunedin’s smaller population. Katz pays most attention to a group of twenty-five property owners who signed a petition seeking an end to the railway strike. These men possessed attributes that are assumed to be typical of the wider entrepreneurial class: they were property owners, chiefly merchants, manufacturers or "proprietors", and they were Protestant. In other respects, the petitioners were exceptional. They appeared to be the political and social leaders of Hamilton, as well as its most prominent commercial men. They were among the wealthiest ten per cent of the population and invested in a range of business ventures.

---

1 P. de Serville, *Pounds and Pedigrees*, p. x.
Introduction

The distinction between the petitioners and the entrepreneurial class as a whole suggests a close analogy with the "inner circle" and business community of Otago. There are also resemblances in the manner of defining these groups at a time of political crisis. In brief, the methodology employed here allows the Otago business community to be viewed in relation to a Canadian "elite" possessing similar qualities and to the leading study of business in nineteenth-century New Zealand.

Structure

In Part One, after introducing the men of the "inner circle", we proceed to explore a number of issues concerning them. We examine the business environment in which they moved: what was the structure of the local economy around this time? How did the "inner circle" stand in relation to the major forms of commercial activity? How is the business community to be defined? In seeking answers to these questions, much emerges about relations between the members of the "inner circle". To simplify the discussion, most of the biographical information about other businessmen, including the largest sheepfarmers, has been carried to the appendices.

The lateness of Auckland's transition from prosperity to depression seems to have determined Stone's focus on the 1880s. If one is to seek a comparable "boom-and-bust" in Otago, it is necessary to consider an earlier period. The post-goldrush boom was confined to the interval from 1871-8; the depression set in during 1879, although there was considerable variation in its intensity during the following years. In describing the Otago business community in 1870, we capture it on the eve of a period of remarkable growth. The provincial economy was beginning to display the features that characterised the later nineteenth century, especially the stabilising of gold production and the emergence of wool as the principal source of export income.1 The 1860s and 70s witnessed the heyday of entrepreneurial capitalism in Otago, but the latter decade saw the incorporation of the most important forms of mercantile activity in the Province.

There is another sense in which the early 1870s mark a significant transition. The business community was emerging from a depression that had produced

1 See Appendix 1, Volume Two.
major changes in its composition. Those who were present by that time comprised most of the important figures of the next two decades. Previously, the world of commerce had worn a very different aspect. Part Two describes the background of business conditions in the 1860s and the setting of the more prosperous years that followed.

The turbulence of this period affected the tone of commercial life and the social development of the business community. Olssen implies that the essential characteristics of the Otago "elite" had been forged during the 1850s. We examine his concept of an "elite" and compare it with the business community defined here. There appears to be sufficient similarity between the two groups to conclude that the composition and behaviour of the business community is indicative of developments within the "elite".

The business community expanded greatly during the 1860s. It was also kept in a state of flux by regular commercial upheavals. There is little to suggest that its social characteristics were moulded around those of its tiny predecessor in the Free Church colony. The instability of the business world denied its leaders a clear social nucleus to which they might seek attachment. Uncertainty and change characterised the lot of the newcomers in this decade. If there was a guiding impulse for social aspirants, it seems unlikely to have been a desire to imitate the values or behaviour of earlier business groupings. Rather, as recent Australian studies suggest, it may have been supplied by the more general problem of shaping the gentlemanly ethic to fit the circumstances of colonial life. Some aspects of social behaviour in Otago lend weight to this view.

The impression that the "elite" had become a more visible element by the start of the new decade is confirmed by this study. Contemporary sources spoke clearly of such a group from the late 1860s. This development cannot be attributed to changes like the flowering of corporate enterprises or the lavish display of wealth. Those things still lay in the future. Nor did the new perception arise from a gradual coalescing of an upper stratum after the early goldrushes, for the depression of the 1860s had kept the commercial environment in turmoil.

To discover what triggered the sudden prominence of the business community, attention turns in Part Three to politics. Economic pressures caused by the depression forced members of the business community to pit themselves

---

against the strong agriculturalist and mining factions in the Provincial Council. Their stand was transparently in defence of immediate business interests. This invited scrutiny of the leading businessmen and pastoralists: who were they? What was their legitimate role in politics? What of their claims to social leadership? The result was the creation of a powerful image of the business community, which later radical groupings appear to have exploited. Political events in this period probably increased awareness of shared interests within the business community and thus enhanced its internal cohesion, although this is less apparent from the evidence. But there can be little doubt that this struggle between "High Street" and the "Liberal Party" was a defining moment in the history of the business community.

Part Three does not attempt an exhaustive survey of provincial politics. That undertaking would be well outside the scope of this study and has, to some extent, been rendered unnecessary by the works of McLintock and Morrell.1 But a close study of the land issue helps to answer some broader questions. Olssen writes of a mercantile "elite" that "dominated" the Provincial Council, and Eldred-Grigg has followed Reeves in suggesting that the great landowners dictated the course of local politics.2 These interpretations may be tested against the success of the mercantile-pastoral faction in opposing the reformist elements in the Council. Brooking, Hearn and Kearsley went some way towards this with a statistical analysis of voting patterns in the Council.3 Their approach has been supplemented here by greater reference to the abundant contemporary commentary.

A major purpose of Part Three is to describe the forces constraining the exercise of political power by the business community. This in turn requires some attention to the general political environment of Otago in the provincial period. The infusion of radical ideologies from Victoria and from earlier agrarian (particularly Scottish) traditions is an important part of the explanation.

The significance of this political episode stems from the fact that an influential segment of the urban business community was deeply involved in the pastoral industry. Pastoralism was sensitive to developments in the political realm, and Part Three begins by explaining why this was so. The narrative is also

---
carried beyond the key events of the provincial period to include the relationship between politics and pastoralism in the 1880s. Another reason for examining provincial politics in some depth relates to our concern with the "inner circle" of Dunedin business. Some members of this group were conspicuous in the defence of pastoralism, so much so that an assessment of their political activities is necessary to understand the significance of their careers. Events in business and politics were often intertwined, and alliances formed in one sphere naturally found expression in the other.

The first three Parts of this study are thus concerned with the social, economic and political developments that made the business community of the early 1870s. The context is purely provincial. In Part Four, the tapis is broadened. We explore the response of Otago businessmen to the rapid expansion of the Bank of New Zealand and its associated companies. Both commercially and politically, this phenomenon was one of the most important features of the period. It is revealing of Dunedin's relationship with other centres of business power in New Zealand. Indeed, the subjects considered in this part represent the main overlap in the affairs of the Dunedin "inner circle" and Auckland's "limited circle". The activities of the Bank of New Zealand conglomerate in Otago also affected relations between the leaders of local business. Its influence engendered conflicts that were further played out in the history of the New Zealand Agricultural Company, and this is also examined.

Comparisons between the business circles of Auckland and Otago are extended in Part Five. From Reeves to Sinclair, New Zealand historians have usually seen the depression of the 1880s as breaking up the economic and political power of the South Island "oligarchy".1 Recent interpretations have rejected this understanding. Eldred-Grigg argued that the "gentry" were better placed by the 1890s than they had ever been.2 The large estates had prospered in spite of the recession. It was not economic pressure that weakened the great landowners. Instead, they had been induced to sell up by "psychological factors" - fear of the Liberal government and its land policies.3

---
2 S. Eldred-Grigg, A Southern Gentry, p. 117.
3 S. Eldred-Grigg, A Southern Gentry, p. 140.
Olssen adopts this explanation in his account of the landowners of Otago. He also extends it to describe the fortunes of the urban "elite". This group survived the depression "reasonably well". Its investments were diverted from land and farming to industrial ventures and shipping. Towards the end of the century, it was no longer the powerful and visible "elite" it had once seemed. But because the 1880s and 90s are supposed to have been profitable decades, it is necessary to look beyond the usual parameters of business for the cause of this decline. Olssen suggests a number of possible factors: defeat in the 1890 election, the rise of unionism and the Liberals, the shock of the Colonial Bank failure and a loss of vision and leadership in commerce.

The revisionist tendency emphasises the insulated economic position of the rural "gentry" and the urban "elite" during the 1880s. For this reason, it is referred to here as the "insulation theory", though this is merely a shorthand label. Because economic influences are downplayed, the stress is necessarily placed on political and psychological developments. This theory suggests major differences in the experience of the business circles of Dunedin and Auckland. Stone concluded that the depression had been a major discontinuity in the history of Auckland. It had greatly undermined the business community. A long-established elite was swept away. By contrast, the Dunedin "elite" has been portrayed as having a relatively undisturbed history from the end of the 1850s - when its essential character was forged - through to the 1890s, when it began its "retreat".

Part Five begins by examining this paradox. There is discussion of the evidence advanced by the insulation theorists in relation to both the rural and urban sectors. A full study of the depression would be a thesis in itself, but it is sufficiently clear that the theory exaggerates the security of the business community during the 1880s. This is illustrated by the main chapter of Part Five, which is a study of the "inner circle" after the 1870s. It is not possible to chart with equal precision the progress of each individual. The less successful members of the group are more visible in the sources and they are numerous enough to invite comparisons with Auckland's "limited circle". Some of Otago's most famous businessmen were ruined in the depression. Others were discredited or cut more modest figures at the end of their careers. If Stone is correct in arguing that the

---

1 E. Olssen, A History of Otago, pp. 128-129.
3 E. Olssen, A History of Otago, p. 128.
4 R.C.J. Stone, Makers of Fortune, pp. 55, 71.
depression changed the face of Auckland business, the same is true of Dunedin. The main difference is that this change occurred more gradually in the south, where the depression had begun earlier.

The concluding part disposes of some remaining historiographical issues. We noted earlier that the business community and the "elite" may be regarded as having similar histories. One would expect changes in the business community to reflect developments within the "elite", or vice versa. If that is so, what does the study of the business community suggest about the concept of an "elite", as it has been used by other writers? It is argued that the concept must be refined by greater recognition of the changing perceptions of the people it identifies and a clearer understanding of the business conditions that largely determined who made up this group and how long they remained in it. Without such refinement, the concept may be in danger of becoming scarcely more than a predetermined category, which adds little to an understanding of historical change in the Province.

Because Otago was founded as a Free Church colony, its business community has been caricatured, in Weberian fashion, as espousing a creed that legitimised laissez-faire capitalism and the pursuit of wealth. The accuracy of this portrayal is of peripheral interest, but it further illustrates the tendency to over-simplify the history of this group. For the most part, there is little evidence that the Presbyterian business leaders of this period were particularly interested in a biblical justification of their commercial affairs. The Presbyterian legacy was not, in any case, one-sided on such matters. The events considered in Part Three suggest that Presbyterian ideology could be utilised in attacks upon the interests of capital.

More importantly, the character of the business community had changed since the early days of the colony. Most of its members arrived after 1861, and there is no reason to assume that this influx preserved any Presbyterian ascendancy in the higher levels of commerce. Within the "inner circle", Anglicans and Presbyterians were divided in roughly equal proportions, and this probably mirrored the religious constitution of the wider business community. The Dunedin Club, to which most members of the "elite" are said to have belonged, was decidedly Anglican in its membership.\(^1\) The Otago Daily Times, probably the

---

1 For the correlation between membership of the "elite" and membership of the Dunedin Club, see E. Olssen, A History of Otago, pp. 54, 70, 127.
most influential paper of the period, was surprisingly hostile to Presbyterianism. In short, there is strong evidence that Presbyterian ethics were not as pervasive in the business community as has sometimes been assumed.

Sources

Three members of the "inner circle" have left significant collections of papers. The most important of these is the voluminous correspondence of John MacFarlane Ritchie, which also contains some letters by George Gray Russell. Ritchie's views are supplemented by the less extensive papers of John Roberts and William Larnach. The bias of Ritchie's perspective, especially his dislike of the Bank of New Zealand, is substantially offset by the letters preserved in the Larkworthy Papers. These do not extend beyond the 1870s, but they provide another angle on a number of important issues.

Bank records have proved invaluable, particularly those of the National and Union Banks and the Bank of Australasia. Sinclair and Mandle's history of the Bank of New South Wales promised many glimpses into the lives of Otago businessmen, but the records of the Dunedin branch have regrettably disappeared since that work was published.¹ The Bank of New Zealand Archives contain only a small amount of material from this period. This gives a tantalising hint of what has been lost through the destruction of the remainder.

Board minutes exist for a number of large companies operating in Otago. Those of the New Zealand Loan & Mercantile Agency Company were in many ways the most illuminating. Throughout the thesis, a host of other sources has been used, including probate records, company files, land title documents and miscellaneous collections of private papers. Newspapers have been a strangely neglected source, probably because of the amount of labour they demand. There were many newspapers in Otago during the nineteenth century and they repay systematic reading. District papers give an outsider's view of the business community. The city journals often reflected the interests of their businessman proprietors and must be read with this in mind. When used in combination, these sources provide a window into many aspects of commercial behaviour.

The historiography of New Zealand business communities is at a youthful stage, making it difficult to approach this subject with a narrow hypothesis. In 1870 Dunedin was probably the most important commercial centre in New Zealand. Lip service has often been paid to this fact, but little is known about the collective history of the men who made up the Otago business community. This neglect is strange, for these businessmen are often easily accessible to the historian. By concentrating on individual members of the business community and, more especially, the "inner circle", we may penetrate some of the obscurity that surrounds their lives.
PART ONE

THE BUSINESS COMMUNITY IN THE 1870s: COMPOSITION AND STRUCTURE

INTRODUCTION TO PART ONE

Part One concerns the identification of a business community and its nucleus, the "inner circle". We introduce the members of this circle and examine their relationship to the structure of the Otago economy in the 1870s. It is argued that the "inner circle" occupied a position comparable to the "limited circle" of Stone's Auckland. It is apparent that relations between members of the "inner circle" had a significant bearing on the history of Otago business in the 1870s. The problems of defining the business community and the focus upon 1870 are discussed in this introduction.

Dissection of the Dunedin business community as it existed at the start of the 1870s invites some undesirable simplifications. It tends to disguise the constant changes in the composition of this group, for it was far from a static collection of men. Like any young colony, especially one in which the discovery of gold had made such an impact, Otago attracted many restless souls whose residence in the Province was quite brief. The higher levels of the commercial world were no exception. The businessmen captured by such a dissection were naturally at different stages in their careers: some who had been conspicuous in earlier times were clearly declining in importance and others who loomed large in after years were yet to make a real impact in commercial life. Certain memorable figures of the nineteenth century had simply not arrived by this date. But by the beginning of this decade most of the men who were to dominate business affairs over the following twenty years were at least present in the Province.

These matters aside, there are several reasons for paying close attention to the members and functions of the business community at this time. It is trite to observe that the 1860s had been a decade of upheavals, but one must not forget that the tiny business community that existed before the gold discoveries was enlarged almost beyond recognition during the boom years. The second half of the decade saw a marked change in the provincial economy and another decisive
reordering of the business world, with many leading figures either leaving or being hampered for varying lengths of time by insolvency or heavy losses. Against this background, the 1870s appear as a period of greater stability, although a similar boom-and-bust cycle is again evident.

The growth in company formations was also a new feature of the 1870s. Among the numerous concerns floated at this time were some of the mainstays of Otago's corporate sector during the nineteenth century, the largest being the National Insurance Company, the Colonial Bank, the Union Steam Ship Company (USSCo) and the forerunners of what later became the Westport Coal Company (WCC). With some minor exceptions, the foundations of these ventures were laid by men present in the business community at the beginning of the decade.

Finally, the early 1870s appear to mark a decided increase in the internal cohesion of the businessmen who had assembled in the previous decade. This process of consolidation was helped by the comparative stability of the business world in the prosperous years of 1872-78 and, one suspects, by the pooling of capital in companies such as we have just noted. Businessmen who had previously concentrated on their private affairs were now joined in the government of public concerns, and club life and other forms of association flourished in this favourable climate.

Political events also fostered a sense of mutuality. In the Provincial Council, runholders and representatives of urban business were obliged to take active measures in defence of their financial interests. Often this helped to create alliances that became significant in commercial affairs or emphasised those that already existed. On the national stage, the promotion of ventures such as the National and Colonial Banks called for united action by Otago businessmen, although their reaction to external competition in the fields of shipping and pastoral finance evoked a more divided response. By the 1870s, then, the business community had begun to display features that had been less discernible in the past, if indeed they had existed at all.

The general shape of the provincial economy at this time is reasonably clear. Excluding Southland, the population in 1871 was 60,722, of which 33,541 were returned in the census as having no occupation. Miners made up roughly one quarter of the workforce. The next largest occupational groups were pastoralists and agriculturalists (20%), and mechanics, artisans and skilled workers (13%).

---

1 See Appendix 2, Volume Two. Olssen states that there were 3,000 miners living on the diggings in 1871. E. Olssen, A History of Otago, p. 71. The 1871 census recorded 7,182 miners in Otago.
Otago’s wealth was generated by its thriving export trade. Between 1868 and 1876, its share of the export revenue of the country ranged between one quarter and two fifths. With the exception of one year, 1871, Otago earned more from external trade than any other province. In the prosperous years of 1872 and 1873, the value of its exported produce was more than the combined export earnings of its two nearest rivals, Canterbury and Auckland.\(^1\) In the middle years of the decade, Canterbury and Otago dominated the export statistics, earning more than half of the national total between them.\(^2\)

From 1872 to 1876, the export figures of Otago approximate those for the peak years of gold production in 1863 and 1864. It is clear from this that Otago was experiencing a second, more prolonged boom in the mid-1870s.\(^3\) The business community of this decade rode upon a wave of prosperity, which, if less spectacular than that of the goldrush period, was of comparable significance in the economic growth of the Province. This time, however, the major product was wool, which contributed more than half the value of Otago’s exports in these years.\(^4\) The fortunes of the business community thus remained heavily reliant on the returns from a single commodity.

The immediate beneficiaries of this export wealth now comprised a much narrower class of people. Whereas the gold of the 1860s had been won by thousands of miners and the profits it had generated widely spread through the community, the proceeds of the wool clip in the 1870s were, in the first place, chiefly divided amongst a group of about 150 large growers. It is likely that this resulted in a tendency towards the concentration of capital and the creation of surpluses, which would have helped to propel the rapid growth of company investment in the same period. Wool exports were supplemented by by-products such as tallow and tinned meat, but more particularly by grain, which attracted considerable investment in the northern part of the Province from the middle of the decade. Gold remained the principal export after wool and earned not less than £500,000 a year until 1875.

The structure of the urban business community reflected the importance of the pastoral sector. Stock and station agents occupied a leading position and three firms also controlled the shipping trade between Otago and Great Britain. As

---

\(^3\) M.F. Lloyd Pritchard, *An Economic History of New Zealand*, p. 114.  
providers or arrangers of credit, their activities tended to overlap the banking and finance sector. Dunedin's status as a centre of banking had been established during the 1860s and this was maintained during the next decade by the buoyancy of its rural economy. The city also served as a conduit for cheap funds borrowed on the British debenture market.

Importing was another major function of the Dunedin business community, and this was a field in which the stock and station firms again played an active part. Otago was not only the major exporting province, but also the largest importer in the 1870s. As one would expect, it was home to some of the largest import houses in the country. The local manufacturing sector was still small. It was also vulnerable, owing to the small size of the domestic market and the absence of stringent import controls. The most important manufacturing enterprises in this period were brewing, distilling, timber, flourmilling, foodstuffs, coal, animal by-products, chemicals, shipping supplies, engineering and printing.

The coastal shipping trade was shared between a number of operators, there being as yet no hint of the dominance which the Union Steam Ship Company would later enjoy. Very few of the Province's larger businessmen had any direct involvement in road transport. Servicing the main limbs of the economy was a miscellaneous assortment of men who might loosely be described as professionals. These included lawyers, doctors, insurance managers, auctioneers, brokers and commission agents, estate agents and newspaper proprietors.

The structure of the business community may therefore be broken down in the following way:

1. pastoral industry and stock and station business
2. finance and banking sector
3. importing houses
4. manufacturing sector
5. internal transport
6. professionals, agents and managers

Wise’s Dunedin Directory is of some assistance in ascertaining who was present within these occupational categories around 1870. It does not, of course, provide any means of ranking these men in terms of their importance in the business community, for it should be said at once that our concern is to identify those who stood at the apex of the business pyramid. We may go some way
towards solving this problem by establishing criteria for identifying people who ought not to be excluded from consideration. It is fair to assume that men of business who were admitted as members of the Dunedin Club had been recognised as holding a high position in the commercial life of the city. Those who were both present in Wise's *Dunedin Directory 1870-71* and members of the Club prior to 1880 have therefore been included in our notional "business community".

Company promotions form another useful guide. The provisional directorate of the Colonial Bank is particularly helpful in this respect. It was easily the largest list of its kind and contains the names of eighty-nine men who were obviously regarded as being of some status in Otago society in 1874. For reasons explained in Appendix 3, the number of names that should be considered is less than this figure and although the list captures a large segment of the business community, it is clearly not a complete profile of that group. Provisional directors of the National Insurance Company, USSCo and WCC have also been used to supplement this selection.

The application of this methodology still results in some deficiencies. Certain men who were to become important figures in Dunedin business and who were already well established elsewhere in the Province, were not resident in Dunedin and do not appear in Wise's directory of trades, professions and industries. Bendix Hallenstein and James Hazlett are two examples. A few men of undoubted stature were temporarily absent from the colony. Others, like Daniel Haynes, played no part in businesses other than their own and never joined the Club. There were, in addition, individual capitalists who stood outside the occupational categories described above. William Kennedy, whose wealth was derived from successful land speculations, is one who would escape an analysis based purely on such categories.

These difficulties can be resolved only by subjective judgements about the inclusion or exclusion of individual businessmen. By examining the major areas of business activity and including those men within each category who had obviously attained a position of eminence, it is possible to rectify some of the problems arising from the reliance on Club membership or participation in company ventures. This is not a wholly arbitrary process, for the Dunedin business community was a very small world and close study of newspaper and manuscript sources provides a safeguard against serious omissions.

Reliance on statistical indices of wealth would be misplaced in this period. Shareholding records are too incomplete for a systematic study of investment in
companies, and the size of investment in partnerships can only be discovered by chance. The value of an individual’s land, or rather his equity, is likewise hard to fix in a way that permits broad comparisons. The *Return of the Freeholders of New Zealand, 1882* is of limited utility in this respect because it tells nothing of encumbrances on titles. It was compiled at a time when the property market in Otago was so depressed and uncertain that the valuations it contains need to be treated with caution. Extensive use has been made of probate records, but these offer no easy solution. Until 1909, valuations of deceased estates were not regularly filed at the Supreme Court. Many businessmen of the 1870s died beyond Otago or lived well into the next century, thus making any comparison of their fortunes of doubtful validity.

Through the measures outlined it is possible to identify a group of men who may be said to represent the upper stratum of the Otago business community around 1870. Reasonable details have been discovered for more than 160 individuals, and brief notes on each have been reproduced in Appendix 3. Such is the quality of this information that it is difficult to make firm generalisations. It is likely that most of these businessmen were drawn to the colonies from modest backgrounds in middle or working classes. Those who had arrived before the goldrushes were a minority. The newcomers had usually come to Otago through Australia, and the number of Scots was much lower than among the surviving "Old Identities".

The main reason for this broad view of the business community is to provide some context for the study of those who may be regarded as the Dunedin counterparts of the Auckland businessmen in Stone’s study. Stone was fortunate in that his business "elite" (a term he repeatedly uses) was mainly associated with the "limited circle" and problems of selection were therefore less acute. The "limited circle" was an interlocking directorate centred upon Thomas Russell. While there was a considerable degree of overlap in the directorates of Dunedin’s major companies, there was not such a tight-knit grouping as appears to have existed in Auckland, nor were there men of such commanding influence as Russell or David Murdoch.

It is not difficult to isolate a group of seventeen men who occupied comparable positions in Otago business. For want of a contemporary label, we

---

1 *Return of the Freeholders of New Zealand, 1882*, Wellington, 1884.
shall call them the "inner circle" of the Dunedin business community. The criteria governing the selection of these men are:

1. **Significant overseas business connections** We find a majority of these men had ties with influential foreign patrons or the large Australian and British firms or financial institutions investing in Otago.¹

2. **Activity in company promotion** Without exception these men were present in many of the major company promotions of the 1870s.²

3. **Activity in Politics** We may draw from this selection of names the principal leaders of the mercantile-pastoral alliance in the Provincial Council. At least eight were members of the House of Representatives or Legislative Council.³ Four were cabinet ministers at different times.⁴ Twelve were Members of the Provincial Council.⁵

4. **Diversity of business interests and investments** Most of these men did not specialise narrowly in their business pursuits. Sixteen had pastoral investments (leasehold or large freehold estates) in addition to their urban businesses.⁶ A significant fraction spanned several of the important limbs of the economy - for example, by combining shipping with their other activities.⁷

5. **Close involvement with other members of this category** This is demonstrated in Appendix 6.

With one or two exceptions, it is possible to discover a great deal about the careers of these men. Their changing fortunes are a connecting thread over the

---

¹ See Appendix 5, Volume Two.
² See Appendices 28 to 31.
³ These men were: Cargill, McLean, Holmes, Reynolds, Tolmie, Oliver, Mills, Driver and Larnach.
⁴ These men were: Lamach, Reynolds, McLean and Oliver.
⁵ These men were: Cargill, McLean, Holmes, Reynolds, Turnbull, Tolmie, Roberts, Oliver, Mills, and Driver.
⁶ This category included Proudfoot, Cargill, Tolmie, Russell, Holmes, Ritchie, Oliver, Russell, Neill, McLean, Turnbull, Roberts, Nichols, Rattray, Driver and Larnach.
⁷ This would be true of Turnbull, Proudfoot, Larnach and those connected with Russell Ritchie & Co, Dalgety Nichols & Co and Cargills & Co.
next four Parts of this thesis, and one of the major objectives of the study is to penetrate, so far as the sources permit, behind the scenes of their public lives.

The concentration on this small network has made it necessary to discuss the careers of other leading businessmen in Appendix 3. Significant in their own right, these men were often linked by ties of kin or business to individuals within the "inner circle". Some possessed one or two of the five attributes which characterised the latter group. But few had the important overseas connections or the same high political profile or diversity of interests as those men. In pursuing the comparison with Stone's "limited circle", we must not lose sight of those who hovered on the margins of "inner circle". Our next step, however, is to consider in more detail the members of this select group of Dunedin businessmen.
George Gray Russell and John MacFarlane Ritchie

John MacFarlane Ritchie was a young Glaswegian who arrived in Otago in early 1865 to join the squatting agency and mercantile business recently established by George Gray Russell. It is fortunate that so much of his correspondence has survived. An avid student of gossip, he was at all times a perceptive observer of people and events around him. His commentary is delightfully frank and assuredly based on sound information, for very few of his predictions were inaccurate. He was a rather cynical man, prone to hypochondria, who displayed little compassion in his assessment of others. Nevertheless, if treated with due caution, his writings offer an insight into the nature of business in colonial New Zealand that may well be unique. His business acumen cannot be doubted. Although he avoided direct participation in politics, Ritchie’s business demanded a close watch on public affairs. He became regarded as “bold, generally forcible, and often original in his expressions of opinion on politics, which he seems to watch with the interest of a true citizen of New Zealand.”

Ritchie’s approach to life was ruled by calculation and analysis. Only rarely do traces of human weakness intrude into his letters. He was not, for instance, oblivious to the physical charms of Mrs William Soltau Davidson. According to Ritchie, she had “neat feet - even neater patent shoes. & nice black stockings. Also I shd. say, very superior 'swan-bill' stays.” On one occasion his thoughts wandered to a life of ease on a large estate, founding a house that would last for generations. His procreative efforts did not always produce the desired results. After his wife bore him six sons there was "a serious visitation" in the form of a daughter, "the change being about the only redeeming feature!"

Russell Ritchie & Co was involved in the network of Scottish connections that formed part of the core of business in Otago. Ritchie was formerly employed by Potter Wilson & Co, a Glasgow firm and one of the largest mercantile and shipping houses in the Australian colonies. His new partnership consigned wool to Potter Wilson and maintained close links with it until around 1873, when relations

1 Otago Witness, 2 January 1890.
2 Ritchie to Robert Stewart, 4 September 1889, p. 182, Ritchie Papers, Hocken Library.
3 Ritchie to Russell, 27 September 1876, p. 114, Ritchie Papers.
4 Ritchie to Robert Stewart, 31 August 1891, p. 199, Ritchie Papers.
5 The main partners were: Lewis Potter, his son John Alexander Potter and Cunningham Smith.
apparently cooled.\(^1\) It was probably through Lewis Potter that Russell Ritchie & Co became New Zealand agents of an estate company called the Canterbury & Otago Association in 1865. In 1870 Russell Ritchie & Co took over from Douglas Alderson & Co as attorneys of the "old" New Zealand & Australian Land Company. These two land companies, whose major proprietors were in several cases identical, were amalgamated in 1877.\(^2\)

The acquisition of such important clients was a great boon to Russell Ritchie & Co. Together, the Canterbury & Otago Association and the Land Company controlled vast areas of land in the lower South Island. At the time of amalgamation the combined freeholds totalled nearly 200,000 acres, and a great deal more was also held under lease.\(^3\) In 1880, the company ran 446,021 sheep in New Zealand and 9,801 cattle.\(^4\)

The investors in these syndicates included some powerful men. Three who should be mentioned, James Morton, Lewis Potter and James Nichol Fleming, were destined for infamy through the City of Glasgow Bank failure in 1878. In the 1860s, however, they were at the height of their power.\(^5\) The windfall of the Canterbury & Otago Association account did not come the way of Russell Ritchie & Co without opposition. Mathew Holmes wished it to be placed with his relation, William Tolmie of Dalgety & Rattray.\(^6\) Holmes, with Morton and Potter, had organised the early investment syndicates, which were later united as the first New Zealand & Australian Land Company. He and John Douglas arranged the purchase of the first estates, but neither man possessed any personal stake in the various associations.\(^7\) Holmes's influence was nevertheless insufficient to defeat the claims of Russell and Ritchie, even though he and Dalgety & Co had previously been Potter Wilson & Co's agents in New Zealand.\(^8\)

The presence of John Nichol Fleming on the board of the Albion shipping company formed a direct link between that concern - the main line of ships operating between Britain and Otago - and the New Zealand & Australian Land Company.\(^9\) James Morton of the Land Company and Peter Denny and James

---

\(^1\) Ritchie to Lewis Potter, 28 October 1873, p. 209, Ritchie Papers.
\(^5\) See Appendix 7, Volume Two.
\(^6\) Ritchie to Lewis Potter, 16 February 1865, p. 4, Ritchie Papers.
\(^7\) M. Palmer, "The New Zealand & Australian Land Company", p. 245.
\(^8\) Auld and Crawford to the Superintendent, 23 January 1863, 1863/70, OP 8/1, National Archives.
Galbraith of the Albion were also proprietors of the New Zealand Meat Preserving Company.\(^1\) Formed in Glasgow in 1870, the Meat Company established canneries at Woodlands, Kakanui and Washdyke, these sites being close to the large holdings of the Land Company.\(^2\) Although it sometimes produced large quantities of tinned meat and other products, this affair was never particularly successful. High wool prices in the 1870s starved it of the large numbers of cheap stock required to make its operations profitable. Half of its paid up capital of £136,643 was written off in 1883 and although that was a reasonably good year, with nearly 50,000 animals being slaughtered, the company was wound up shortly afterwards. Competition from the new frozen meat industry was seemingly not a factor in this decision.\(^3\)

Russell and Ritchie thus tapped an influential circle of Scottish businessmen who exercised great control in the export sector of the Otago economy. Both men had substantial investments in land. During the 1870s they owned Cannington station and shared Otaio and Otemetata with the Teschemakers.\(^4\) Little is known about their early lives. Ritchie was the son of a Free Church minister but joined the Anglican Church after he emigrated to New Zealand. He married a daughter of James McLaren, a Central Otago runholder.\(^5\) Russell was born around 1829 in Dunfermline and described his father's occupation as being that of a gentleman.\(^6\) He remained a bachelor most of his life, finally marrying at the age of seventy.\(^7\)

**Edward Bowes Cargill**

The business achievements of Captain Cargill were modest enough. After filling subordinate managerial positions in the Yorkshire District Bank and the East of England Bank, he took a seat on the young Oriental Bank, before throwing his

---

1 CS 242/1317/1, Scottish Record Office. Ritchie to Denny, 13 December 1879, Ritchie Papers.
2 Shares were offered to the public in 1873. The sale of the company's produce in the preceding year had realised £182,737. *The Times*, 28 July 1873.
3 CS 242/1317/1, Scottish Record Office.
5 It is possible that this marriage reinforced an existing relationship, as some of Ritchie's cousins bore the name McLaren.
6 St Paul's Marriages, 970.
7 St Paul's Marriages, 970. His wife was Barbara Amalia Gray Mayne, the widowed daughter of William Scheele, a merchant. The maiden name of Russell's mother was Gray, which suggests a possible family connection.
energies into the Otago colony. His business connections (or possibly those of his relations) were, however, good enough to ensure a more promising beginning to the career of his eldest son, William Walter.

W.W. Cargill was sometimes credited with being midwife to the Oriental Bank. He was at least general manager and, for many years, a director of this institution. In 1851 the Oriental Bank became the first Anglo-Indian commercial bank to receive a royal charter. It quickly became one of the most prestigious of all the colonial banks and branches were established in India, Ceylon, Hong Kong, Singapore, Mauritius, Japan, Australia and, briefly, in New Zealand. Ritchie hinted in 1874 that William Walter's reputation was, for some reason, a thing of the past. Cargill was then languishing in Japan and looking for another position. It seems, nevertheless, that he was called upon to help in the reconstruction of the Oriental in 1884.

William Walter Cargill was called to the bar at Lincoln's Inn in 1859 and represented Berwick-on-Tweed in the House of Commons from 1862-65. His status in British banking was of considerable advantage to other members of his family and he was an important link between Otago and financial circles at home. He was named as a partner in Cargills & Co at least until 1869.

Edward Bowes Cargill, a younger brother, may have had a harder start in life. Between the ages of fourteen and twenty he served in the Mercantile Marine. He settled at Colombo where he was attached first to the Bank of Western India and then to Oriental Bank. He went into business in a firm called Dowdall Cargill & Co. His next partner was Andrew Nichol, a brother of the William Nichol in whose Bombay firm James Nichol Fleming made his first fortune. In 1857 Cargill moved to Melbourne and after there pursuing business for a while, he arrived in Otago and joined John Jones in the coastal shipping trade. E.B. Cargill's ventures into shipping were plagued by bad luck and he lost heavily through the wreck of the "City of Dunedin" and the failure of the Otago Steam Ship Company.

---

2 AIBR, 14 January 1885, p. 13.
4 Ritchie to Russell, 24 August 1874, p. 129, Ritchie Papers.
5 AIBR, 14 January 1885, p. 13.
6 Chadwick-Healey Index, Alexander Turnbull Library.
7 Otago Witness, 12 August 1903, p. 29.
Cargill left Jones in the early 1860s and went into business with his brothers John and William Walter. Among other things, Cargills & Co acted as squatting agents, imported tea from China and sugar from Mauritius, and shared the agency of Patrick Henderson & Co. By 1865 the firm was in deep trouble. It was said to owe Redfern Alexander & Co £80,000 and its obligations to the Bank of New South Wales were considered unduly heavy.\(^1\)

Redfern Alexander & Co was a concern with large interests in Australia and South America. In 1882 it ranked sixth among the private houses receiving wool from the colonies, with 17,414 bales.\(^2\) William Lachlan MacQuarrie Redfern, one of the principals, was the son of Dr Redfern, the famous convict surgeon and a founding director of the Bank of New South Wales.\(^3\) His partner, Philip Vanderbyl, was a director of the New Zealand Loan & Mercantile Agency Company in the 1860s and later joined the board of the National Bank.\(^4\) Redfern Alexander & Co backed Kinross & Co of Napier and Francis Fulton's Land & Loan Company.\(^5\)

Concerned at the position of their Otago constituents, Redfern and Alexander sent E.R. Anderson to investigate.\(^6\) Anderson was accommodated in a style not atypical of Dunedin business. A wife was found for him - John Cargill's nineteen-year-old daughter - and he became a partner in Teviot station with his new father-in-law.\(^7\) His mother was Lady Anderson of London, but beyond this little is known of his family background.\(^8\)

Redfemsn nominated George McLean to replace Anderson as its representative in the firm. McLean had recently resigned as manager of the Bank of New Zealand, possibly because of differences with the board over his too-liberal

---

1. Ritchie to Cunningham Smith, 4 June 1867, p. 216; Ritchie to Tom Gray, 5 February 1866, p. 60, Ritchie Papers. K. Sinclair and W.F. Mandie, Open Account, p. 52. The debt to the bank was £85,000 but it is not clear whether some of this was taken over from Redfems or if it was a separate liability.
5. Redfern Alexander & Co also provided funds to Mathew Holmes and John Cotton Rowley. Stock Mortgages 22, 24, Hocken Library. The firm appears to have failed in 1891.
6. C.S. Ross, Early Otago and Some of its Notable Men, Dunedin, 1907, p. 18.
lending. He married a daughter of Mathew Holmes. The union, alas, may not have been a pleasant one as Mrs McLean was, in Ritchie’s opinion, "an uncongenial monster."2 "After his matrimonial alliance with the squattorians", wrote the New Zealand Punch, McLean "abandoned liberalism and became a cross conservative."3

McLean’s career in finance began in humble fashion. After attending St Andrews University he emigrated to Victoria and became a clerk in the Colonial Bank.4 Later, on the goldfields, he was a goldbuying agent with the Oriental Bank under Falconer Larkworthy.5 A phlegmatic character, McLean was respected for his shrewdness in business matters. Larkworthy disliked him for his unpolished manners and heavy Scottish accent, and parliamentary audiences were later tormented by his habit of speaking through lips that scarcely moved.6 It was also said that he looked like a Scotch terrier.

When McLean terminated his partnership with Cargills to go home in 1872, it was another relative of Holmes, William Tolmie, who took his place.7 In 1874 there was a further reshuffle. Tolmie retired, and George Joachim and Henry Gibbs were taken in. It was Joachim’s good fortune to be related to Richard Gibbs, one of the more wealthy and powerful men in colonial finance. Richard Gibbs was the son of a surgeon general and began his Australian career as Dalgety & Blackwood’s first manager at Geelong.8 He later commenced business with his own firm, Richard Gibbs & Co of London (Gibbs Ronald & Co in the colonies). In 1865 this was merged with the Australian Mortgage Land & Finance Company (AMLFCo). By 1866 Gibbs had, in effect, secured control of this concern.9 In subsequent years it rivalled Dalgetys and the New Zealand Loan & Mercantile Agency Company (NZLMACo) in the scale of its operations, with a paid up capital

---

1 Larkworthy Reminiscences, MS 1858-62, Alexander Turnbull Library, p. 1534. The BNZ classified £150,000 of McLean’s advances as bad, but McLean claimed that the ultimate loss was only £50,000. "Examination of The Hon. George McLean by the Liquidators of the Colonial Bank", Dunedin, 1896, p. 24.
2 Ritchie to John Hunter, 3 December 1874, p. 313, Ritchie Papers.
3 New Zealand Punch, 20 December 1879.
4 ODT, 19 February 1917.
5 Larkworthy Reminiscences, p. 1534.
7 Cargill to Jardine Matheson & Co, 9 March 1872, JM/2809, Cambridge University Library.
8 AIBR, 16 December 1889.
of £560,000 and deploying £2m of debenture money.\textsuperscript{1} In 1882 it imported 81,597 bales of wool, only a few thousand less than Dalgety.\textsuperscript{2}

Gibbs had an interest in another firm with Dunedin connections, Gibbs Bright & Co. This house operated in Otago until 1869, importing merchandise and making advances on station securities. His partner was Sir Charles Bright who may have had some link with Bright Brothers, another business that had a branch in Dunedin.\textsuperscript{3} Before his arrival in New Zealand, Joachim was in business in London under his own name. It appears he possessed "a very moderate if not small capital" but was supported by Richard Gibbs.\textsuperscript{4} Ritchie initially thought Joachim "a decent fellow" who would not, however, "set the Thames on fire."\textsuperscript{5} He later revised this impression: "[Joachim] is a business duffer. & an awkward duffer..."\textsuperscript{6} On another occasion he confided to Galbraith: "I have a very nasty suspicion E.B. will not fare very well at his hands."\textsuperscript{7} A time came when Ritchie would rejoice at Joachim's absence if ever there was work to be done with Cargills.\textsuperscript{8}

Henry Gibbs was a nephew of Richard Gibbs and George Webster, "from both of whom", wrote his banker, "he has acquired a very exalted notion of the credit he is entitled to."\textsuperscript{9} The two uncles were partners in Dome and Benmore stations. Webster, who resided in New Zealand, was an intimate friend of William Larnach.\textsuperscript{10}

Henry Gibbs began business in New Zealand in 1868, taking over the clients of Dalgety & Rattray when that firm withdrew from Invercargill. His starting capital was about £6-7,000, supplemented by an authority to draw £1,000 upon his uncle Richard at any time. He pursued a steady business "doing only with the best people."\textsuperscript{11} The link between Cargills and the Gibbs family probably arose from the Australian Mortgage Land & Finance Company. In 1862, a cousin of Edward

\begin{thebibliography}{9}
\bibitem{1} "Scottish Capital Abroad", Blackwoods Magazine, October 1881, p. 468.
\bibitem{2} A.B. Baxter, Banking in Australasia from a London Official's Point of View, p. 72. See Appendix 8, Volume Two.
\bibitem{3} Charles Bright was a partner in Anthony Gibbs & Co of London and married a daughter of a Governor of Victoria.
\bibitem{4} Ritchie to George Gray Russell, 2 May 1877, Ritchie Papers.
\bibitem{5} Ritchie to Galbraith, 25 February 1881, p. 352, Ritchie Papers.
\bibitem{6} Ritchie to Galbraith, 2 June 1880, p. 162, Ritchie Papers.
\bibitem{7} Ritchie to Galbraith, 4 November 1879, p. 3, Ritchie Papers.
\bibitem{8} Ritchie to Galbraith, 4 November 1879, p. 3, Ritchie Papers.
\bibitem{9} ODJ, 11 August 1875.
\bibitem{10} Ritchie to Galbraith, 4 November 1879, p. 3, Ritchie Papers.
\bibitem{11} Ritchie to Galbraith, 4 November 1879, p. 3, Ritchie Papers.
\end{thebibliography}
Cargill, Helen Ranken, married James Alexander Douglas, manager of the Bank of New South Wales. Douglas readily agreed to the Cargill brothers' requests for financial accommodation and his advances to them were thought far too liberal by his superiors. Douglas left Dunedin about 1864-65. He later became the Australian manager of the AMLFCo and was a director from 1873 until his death in 1877.

By the mid-1870s, E.B. Cargill was tired of the anxiety and personal liability attached to large squatting advances and wished to employ outside capital in the lending side of his business. The AMLFCo was contemplating the extension of its operations to New Zealand in 1873, but seems to have chosen to work through Cargills & Co instead. By 1877, the AMLFCo had laid out £170,000 of its funds through Cargill Gibbs & Co and may well have exerted a good deal of control over the firm's activities. Ritchie's impression was that "the A.M.L.F. Coy... have Cargill pretty well now."

John Cargill had left the firm by 1881. In addition to Teviot station, which was once regarded as one of the finest sheep runs in Otago, Cargill and E.R. Anderson owned a large freehold estate on the Mataura River near Edendale. Edward Cargill also had various pastoral investments.

In the light of the Cargill family's early start in the Province and its connections with strong overseas concerns, it is tempting to attribute managerial deficiencies as a cause of the firm's indifferent performance over a long period. Edward's attention was easily distracted from his own business affairs. In church life, politics and a host of companies, he seemed to feel the necessity of taking a conspicuous lead. Ritchie condemned this neglect repeatedly: "E.B. will never

---

1 Douglas is said to have had a business partnership with George Webster. K. Sinclair and W.F. Mandle, Open Account, p. 54.
2 K. Sinclair and W.F. Mandle, Open Account, pp. 52-56.
3 Board Minutes of the AMLFCo, copies in the author's possession kindly supplied by the Archives of Business and Labour, Canberra.
4 Ritchie to Russell, 23 June 1874, Ritchie Papers.
5 Larnach to Adam Burnes, 9 October 1873, Larnach Papers.
7 Ritchie to Russell, 27 September 1876, p. 114, Ritchie Papers.
8 Ritchie to Galbraith, 23 February 1881, p. 349, Ritchie Papers.
9 Cargill, Joachim, and Richard and Henry Gibbs leased Minaret station in the early 1880s. Between 1873 and 1876, Cargill invested money on behalf of his wife in runs owned by the Rolland brothers (Deeds 56/467, 57/323). One of his most important real estate ventures was the Henley Estate. Cargill's dealings with this property are recorded in Deeds 13/1251, 18/610, 29/279, 32/910, 42/89 and CT 11/162, 12/74, 14/204, 28/146, 31/18. See also ODT, 11 June 1877 and Thomas Roberts to John Roberts, 15 January 1880, 6/11, Roberts Papers.
think till he finds himself face to face with something serious." Mrs Cargill was a dominating and socially ambitious woman, and a good deal of her husband's cash was spent on stylish entertaining. She was also known to have a considerable say in his political activities: T.B. Gillies once referred to her as "the petticoat influence." Cargill thrived on public occasions such as the testimonial dinner held before his trip home in 1877. It was the kind of event Ritchie found insufferable: "The Club gave a grand dinner to E.B. Cargill last night. 36 sat down. & he spouted away. They made me take the chair as Vice President of the Club. I don't know how E.B. likes these things so much. I hate them." 3

Whatever his shortcomings, Cargill's probity usually inspired admiration. James McIndoe recorded that he was known as "the apostle of commercial morality" and J.C. Richmond looked upon him as "the most manly man I know in Dunedin." 4 Cargill's bankers may have seen another side to his personality. John Badcock of the Bank of New South Wales thought him "a dreaming schemer". 5 Ritchie's assessment was double-edged: "A better man never lived - but I may likewise say a worse business man rarely made a living out of commerce." 6

Charles Nichols, William Tolmie and James Rattray

Few names loomed larger on the Australasian pastoral scene than that of Frederick Gonnerman Dalgety. The Dalgetys were originally minor gentry in County Forfar, but two generations of military service left the family widely scattered. Dalgety arrived in Australia in 1833. He was sixteen years old and had brought little or no capital. 7 He found employment with J.B. Montefiore, a Sydney merchant and early land claimant in New Zealand. 8 A decade later he was in the business of woolbuying, lending to squatters and importing. Goldbuying and the sale of merchandise during the 1850s laid the basis of his fortune. In three good

---

1 Ritchie to Russell, 9 April 1877, p. 218, Ritchie Papers. See also Ritchie to Russell, 12 September 1876.
2 Gillies to Richardson, 11 March 1861, Richardson Papers, OESM.
5 K. Sinclair and W.F. Mandle, Open Account, p. 52.
6 Ritchie to Galbraith, 2 June 1880, p. 162, Ritchie Papers.
years Dalgety’s firm made £150,000 and in 1865 he estimated the value of his personal investments and capital at £300,000.¹

The Dalgety empire spread into new fields by investing its funds through resident partners. George Buckley, a member of the Melbourne office and a brother-in-law to “Big” John McLean, established the firm at Lyttelton in 1858, Dalgety’s aim being to provide his brother Edmund with a business.² In 1864 a branch was set up in Dunedin with Rattray and Tolmie.

Rattray’s father was a Glasgow timber merchant; his mother the daughter of a linen merchant. He had a short apprenticeship in banking before leaving for Victoria in 1852. After an unsuccessful spell on the diggings at Castlemaine he worked for several years in the London Chartered Bank in Sydney and Melbourne. The Colonial Bank tempted him with the position of chief accountant and a salary of £500, but he stayed only a year before accepting a partnership with Dalgety & Co and moving to Geelong in 1856. There he managed to accumulate a capital of £3,000.³ Dalgety, whose feelings were probably influenced by the unhappy history of the Dunedin partnership, formed a poor opinion of him. He believed Rattray was “over sanguine, too credulous and not far seeing... also sly and deficient in candour when he committed an error in judgement.”⁴

Rattray met his future wife, Kate Aylmer, while passing in Walker Street. She was the daughter of the vicar at Akaroa and the granddaughter of an Irish gentleman, Sir Fenton Aylmer of Donadea. She had come to Dunedin on a visit to the Black brothers of Omakau station.⁵ J. and W.H. Aylmer joined Rattray in a Southland run carrying some 16,000 sheep.⁶ Despite the backing of a guarantee from Dalgety & Co, credit was difficult to obtain in the late 1860s and the partnership did not last long.⁷

Rattray had befriended William Tolmie - and several other Otago businessmen - while stationed at Geelong.⁸ Tolmie’s early life is obscure, but it

---

³ Rattray Papers, OESM.
⁶ Invercargill Inspector to McMullen, 20 August 1867, p. 304, Union Bank, ANZ Archives.
⁷ Invercargill Inspector to McMullen, 3 June 1868, p. 659, Union Bank, ANZ Archives.
⁸ Rattray mentions Ibbotson and Larnach among his acquaintances and he remembered Alexander McMaster loading his sheep for New Zealand. Rattray Papers, OESM.
seemed to involve radical changes of fortune. He publicly admitted that he was "well trained in the colonial school of prosperity and adversity" and the ups and downs of his career would scarcely be believed.\(^1\) A native of Skye, he arrived in Victoria in 1852 and served in the Union Bank before taking up the management of the Geelong branch of the Colonial Bank of Australasia.\(^2\) While in Australia, he dabbled in land speculation. According to W.H. Cutten, he was proud to boast that when the Victorian land selection laws were introduced, he was the first to send out a coach load of dummies to beat the new restrictions, and that he once frustrated all other buyers at a sale by hiring a famous dummy to obstruct the lodging of applications.\(^3\)

After their first meeting, Ritchie decided that Tolmie was "a duffer" and saw no reason in later years to modify his opinion.\(^4\) He was nonetheless a very popular figure in Dunedin's fashionable society and much envied for the quality of his stud rams. Tolmie was related by marriage to Mathew Holmes and B.C. Haggitt. Larnach counted him as one of his closest friends.\(^5\)

Dalgety Rattray & Co made an encouraging start in Dunedin. Large premises were erected in Bond Street and twelve clerks employed. The first year's trading yielded a profit of £20,262, but the prosperity was short-lived. Over the next five years the firm lost between £70,000 and £85,000.\(^6\) Dalgety sent Charles Nichols to investigate its affairs. Nichols had begun his business career as a clerk in a firm of outfitters in London and joined Dalgety in Australia after emigrating to preserve his health.\(^7\) Although very astute, he was not an attractive character. "He is a most uncomfortable man to do anything with", wrote Ritchie, "I never knew one more so."\(^8\) It was well known in Dunedin that he was out of favour with Dalgety, who disliked him for his arrogance and "unscrupulousness in his mode of dealing with those who fall into his clutches."\(^9\) Despite his successful management of the firm, Nichols' resignation may well have been sought had he not lost his life in a coach

\(^1\) ODT. 2 February 1871.
\(^3\) ODT. 31 May 1873.
\(^4\) Ritchie Diary, 12 March 1865, Ritchie Papers.
\(^5\) ODT. 11 August 1875.
\(^7\) "History of Dalgety and Company, 1880-1945", Micro MS 749, Ch. 3, p. 5.
\(^8\) Ritchie to Russell, 17 November 1874, p. 169, Ritchie Papers.
\(^9\) G. Rees, "Dalgety: The History of a Merchant House", p. 84.
accident on the Horse Range in 1878. Dalgety's letters make it plain that his thoughts were moving in this direction:

Nichols, since he has become rich, has displayed a disposition so arbitrary... that not only has he rendered himself extremely unpopular with the constituents and the outside public - but obnoxious to his partners - and if he does not change his tactics it will be impossible for us to work with him except at the sacrifice of self-respect and esteem, which I for one am not disposed to make.¹

In 1869 Nichols returned a pessimistic report of the situation in Dunedin. The firm had locked up its resources in a number of runs that had either been purchased or acquired from defaulting mortgagors. Nichols saw a gradual liquidation of the business as the only option. Rattray and Tolmie both owed personal debts to the partnership. Tolmie had borrowed £6,000 but pleaded poverty and the amount was compromised for £3,000. In reality, his finances were not so weak as to prevent his buying a great deal of land as soon as he left the firm. Rattray owed £12,000 but stayed with Dalgetys until presented with a more propitious opportunity to leave.² This proved a wise decision because in 1870 Nichols made an inspired gamble. He sank a large amount of the firm’s money into a wool speculation and the shipments arrived as the price of wool jumped in response to the outbreak of war in Europe. The profit may have been as much as 100% and all thoughts of liquidation were forgotten.³ Thanks to Nichols' management and the improvement in the pastoral industry, Rattray's debt became transferred into a capital of £20,000 and the partnership recommenced with a capital of £100,000.⁴

Rattray severed his ties with the partnership in 1874 and went into business by himself, taking with him some of Dalgety & Co's best runholding clients.⁵ His

¹ W. Vaughan-Thomas, Dalgety: The Romance of a Business, London, 1984, p. 50. Ritchie told Russell in 1877, '[Nichols] is sweet just now... I believe he got talked to tremendously by his superiors. I heard on good authority they are very tired of him”. Ritchie to Russell, 12 March 1877, Ritchie Papers.
⁴ "History of Dalgety & Company, 1880-1945", Micro MS 749, Ch. 3, p. 6. Douglas Cresswell, "Early New Zealand Families", cuttings from the New Zealand Free Lance, Dunedin Public Library, p. 149. The article appears to have been based on an interview with Nichols' son.
⁵ Ritchie to Russell, 11 March 1875, p. 218; Ritchie to Russell, 11 December 1874, p. 185, Ritchie Papers.
memoirs contain a quite different explanation of his reasons for leaving.\(^1\) Nichols was not sorry at his departure, but he was furious at the loss of these accounts.\(^2\) After his death the Dunedin branch was managed by E.J. Spence.

John Roberts

The Sandersons, Murrays, Robertses and Laidlaws of Selkirk and Galashiels formed a tight circle of families deeply involved in the wool trade and cloth manufacturing.\(^3\) John Murray and his brother-in-law, William Sanderson, rose from modest positions to build a wool business considered to be one of the largest of its kind in the world.\(^4\) They each built mansions costing between £20-30,000.\(^5\) George Roberts, once a small tweedmaker, became a prosperous millowner with cloth factories at Innerleithen and Selkirk.\(^6\) Having already extended generous facilities to his sons, he left an estate valued at £70,000 on his death.\(^7\)

The private ties between the families undoubtedly contributed to their success in business. "I fancy these Selkirk and Galashiels people are very clannish and stick to one another", wrote Ritchie.\(^8\) He had great respect for the Roberts family and their associates:

They are a cautious quiet going lot down there and I think what they do there is sure: tells in the long run well, and does not give much worry & anxiety - a great contrast to colonial work.\(^9\)

---

1. Rattray Papers, OESM. Rattray claimed that the partnership expired in 1870 and Dalgety insisted on an amalgamation of Australian and New Zealand branches with his London house, and on introducing new partners to increase the capital available in the colonies - "This I did not like as it in a manner appropriated the Dunedin connection which I had built up and which I had a right to consider my own."
3. Thomas Laidlaw, merchant, of Selkirk, appears to have married a sister of George Roberts. (Knox Church Marriages, 3307.) The Handysides were also involved in this circle.
5. C. Galvin, The Tweedmakers, p. 129.
6. He was Provost of Selkirk for many years and a staunch liberal in his political views. It was said that he displayed "an amusingly strong contempt for anything second rate in the way of wool or woollen cloth." QDT, 1 June 1877.
7. Thomas Roberts to Roberts, 12 April 1877, 625/6, Roberts Papers, Hocken Library.
John Roberts, son of George, was cast in the same mould, being, in Ritchie's estimation, "a very careful shrewd young man." In 1865 he was sent to work on Sanderson and Murray's Victorian stations, Brie Brie and Glenronald. John Sanderson, son of George, was responsible for these properties as well as the large squatting agency and woolbuying business the family was developing in Melbourne. It was intended that Roberts junior should learn the art of sheepfarming before being placed on his own station. Roberts soon became discontented with this arrangement as Sanderson treated him rather coldly and was "gruff" on several occasions. His family comforted him. Sanderson was "a capital specimen of one of this world's worms" and they would find him a more agreeable situation. William Sanderson, George Roberts and the Provost of Galashiels contemplated buying a run in New Zealand for John Roberts to manage. The advantages of this country, they believed, were a more reliable climate and better protection for the runholder from the demands of settlement.

In 1867 a more definite proposal emerged. Sanderson and Murray were already working a fellmongery in Otago. Roberts should buy one third of this operation and manage it for a £200 salary. He could diversify by consigning wool to London and buying on speculation or to supply his father's business. Money would also be placed at his disposal if there was an opportunity to buy a run on behalf of the Sandersons, Murrays and Roberts.

The idea of running a fellmongery did not appeal to John Roberts, but after some persuasion he agreed to take up the offer. There was a minor quarrel between members of the three families about whether his name should be included in the title of the new partnership. George Roberts had his way and in 1868 John was sent to begin business in Dunedin under the style of Murray Roberts & Co. There was no lack of advice from home about how he should conduct himself, including a parental caution not to go drinking at the squatters' club.

---

1 Ritchie to Galbraith, 24 June 1880, p. 177, Ritchie Papers.
2 William Archibald to John Roberts, 22 June 1866, 625/1, Roberts Papers.
3 William Archibald to John Roberts, 22 June 1866, 625/1, Roberts Papers. George Roberts to John Roberts, 22 May 1865 and 25 July 1865, 625/1, Roberts Papers.
5 George Roberts to Roberts, 24 July 1867, 625/1, Roberts Papers.
7 George Roberts to Roberts, 1 September 1868, 625/2, Roberts Papers.
RobertshadbeentradingforlittlemorethanayearwhencargillsMcLean&Coapproachedhimwiththeofferofapartnership.Thechancetoquithethe
fellmongeryandjointhislocallyprestigiousfirmmusthaveseemedattractive.
ButhisfatheradvisedanexaminationofthesolvencyofCargillscMcLean&Co
andperhapasonresultoftheseconfidentialinquiries,invitationwasdeclined.¹
In1875therewerehintsofanamalgamationwithRussellRitchie&Co,whichalsocame
tothing.²

MurrayRoberts&Co progressedfavourablyanditsyoungmanagerwassoonable
toseekinvestmentsinland. HeacquiredLauderstationwiththe
Handysidebrothersin1869. AssistedbyhisfamilyandJohnSanderson,heLater
addedGladbrookandPatearoa. CaptainWilliamBaldwinwasapartnerinthe
latterrunforseveralyearsandsoldisharesfor£28,000in1875.³Sandersonwas
pleasedathisdeparture.⁴

TheRobertsfamilyhadmanyaquaintancesandconnectionsinthecolonies.
TheyknewinScotlandtheBathgatesofPeebles,therollandbrothers,Glendinings
andtheTurnbullsofW.&GTurnbullofWellington.⁵Richard
Goldsborough,anotherofthegreatAustralianwoolmerchants,paidthemseveral
visits(althoughJohnRoberts'brotherthoughthimratherlessthanagentleman).⁶
GoldsboroughwastatonetimeconsideringstartingaDunedinagencythrough
MurrayRoberts&Co.TheMurrayfamilyalsohadsomeinterestinthestockand
stationfirmofMurrayCommon&CoofNapier.

MathewHolmes

MathewHolmeswasundoubtedlyoneofDunedin'swealthiestindividuals.
HisfamilyhadfarmedatStrabane,CountyTyrone,for150years.⁷Holmeswas
bornthereandtrainedforcommerciallife.HemigratedtoVictoriain1837atthe
ageoftwenty.⁸There,in1839,heestablishedthesuccessfultquattingagencyand

---

¹GeorgeRobertoRoberts,29December1869,625/3,RobertsPapers.
²RitchietoRoberts,21June1875,625/4,RobertsPapers.
³ThisisthefigurereportedinthenewZealandTimes,12April1875.Itseemstratherhighforonesixth
share.
⁴JohnSandersontotoRoberts,17March1876,625/5,RobertsPapers.
⁵WilliamLaidlaw,sonofThomasLaidlaw,merchantofSelkirk,andElizaneeRoberts,married adaughter
ofGeorgeTurnbullofDunedin.(KnoxMarriages,3307.)FortheTurnbullconnection,seeGeorgeRoberts
toRoberts,25August1866,625/1,RobertsPapers.
⁶ThomastoRoberts,24July1865,625/1,RobertsPapers.
⁷SirB.Burke,COLONIALGENTRY,Vol.1,p.201.
mercantile house of Holmes White & Co of Geelong and Melbourne. He was reputed to have been one of the first exporters of wool from Victoria and made large profits from carrying supplies to the diggings. This firm failed in 1878 but Holmes appears to have had no connection with it by that time.

His wife, whom he apparently met in Australia, was a cousin of the McLean brothers, Allan and "Big" John. They owned a run that adjoined one of Holmes’s properties and later moved to New Zealand, where they were among the largest flockowners in the country. Sir Donald McLean of Hawke’s Bay was a brother-in-law to Holmes, and Henry Campbell, an Otago runholder, was his nephew.

He came to New Zealand in 1859 to supervise the properties acquired by the New Zealand & Australian Land Company. His private estates were the model farm of Awamaa, near Oamaru, and Castlerock and Manapouri stations in Southland. By 1863 he could boast that he had so much money that he did not want to make any more. His personal qualities were less impressive than his bank balance. Ritchie had little affection for "our Mephistophelian friend". When Robert Hamilton told John Douglas of Holmes’s resignation from the Provincial Council in 1865, he wrote: "I think his [Holmes’s] absence will not be much regretted by the public as he is losing his good name fast if he ever had one."

Henry Driver

Henry Driver was born in Delaware in 1831. He emigrated to Victoria in his early twenties and joined the Melbourne firm of Lord & Co, importers of American merchandise. Driver left this business after a few years and took a share in a station on the Murray River. The gold discoveries in Otago attracted him to Dunedin in 1861. He began auctioning stock at a time when the profits of this occupation were often very large. Encouraged by this early success, he expanded his commission agency business to include advances to squatters and the

---

2 Stewart to Larkworthy, 29 November 1878, Vol. 4, Larkworthy Papers.
3 See the obituary of Mrs Holmes, ODT, 16 February 1897. This records that on 6 February 1851 - Black Thursday - the Holmes family spent a whole day immersed in a lagoon while trying to escape bush fires.
4 G.M. Bulling, Run 181, A History of Castlerock Station, pp. 8, 9.
5 W.S. Graham to McLean, 21 April 1863, McLean Papers, MS 32, Alexander Turnbull Library.
6 Ritchie to W.S. Davidson, 4 October 1880, p. 268, Ritchie Papers.
8 ODT, 31 January 1893.
consignment of wool to Miles & Co in London. At an early date he took in John MacLean as a partner. Driver & MacLean conducted the first large sale of wool in Dunedin in 1866 and built a wool store capable of holding 3,000 bales.\(^1\) Extensions to their sale room soon made it one of the largest places of business in the city and "undoubtedly the largest in the colony connected with the wool trade."\(^2\) A branch was opened in Oamaru in 1867, and around this time the firm employed about eighty men.\(^3\) Both men sank capital into runholding ventures - much more, as it turned out, than they could afford.

Driver began to show an interest in railway contracts at the end of the decade. Financial troubles among the contractors for the Oreti Railway allowed Driver & MacLean to step in and take over the project.\(^4\) Their partner, John Thomas Chaplin, who was the proprietor of one the Province's major coach services, went bankrupt in 1871 with debts of £24,000 and the examination of his assets revealed a complicated state of affairs.\(^5\) The Bank of New Zealand was owed £17,000 by the partnership and this debt was taken over by Driver's brother-in-law, C.C. Boyes. Driver still expected to make a large profit from the £32,000 contract, but the Southland government wished to impose penalties for the late completion of the work. A large part of the payment was to be made in land, which was proving difficult to liquidate at that time. Larnach had contracted to buy 8,000 acres but dishonoured his agreement.\(^6\) Despite the problems with this contract, Driver showed great enthusiasm for constructing the Dunedin to Clutha Railway between 1869 and 1871.

The prosperity of Driver & MacLean was not soundly based. Depression ate into the returns from auctioneering and importing in the mid-1860s and placed their pastoral investments in jeopardy. But retrenchment was inconceivable to Driver and he continued to make large advances to runholders well after his finances had slipped into a critical condition. Driver & Maclean survived by leaning more heavily on the Bank of New South Wales, whose manager, Charles

---

5. *Insolvency File 174*, Dunedin High Court.
6. *Insolvency File 174*, Dunedin High Court.
Stewart, was a close friend of the partners and soon joined the firm.\(^1\) Hugh John MacLean married a relative of Stewart in 1872.\(^2\)

Between 1866 and mid-1868, the Bank's advances and acceptances to Driver & MacLean ran up to £120,000, far in excess of the authorised limit.\(^3\) Driver staved off the demands of the bank's inspector with empty promises of reduction. By 1870 there was still little prospect of the firm's recovering its position and the Bank forced it into liquidation. It is said that the Bank of New South Wales lost £14,700 by Driver & MacLean and £4,900 through the failure of Driver and MacDonald, yet Driver came out of the liquidation several thousand pounds to the good.\(^4\) The Bank also lost popularity by its action. The partners were well liked in Dunedin, and were seen as victims of capricious conduct by the Bank. Stewart, of course, was dismissed and Driver and MacLean filed for bankruptcy soon afterwards.\(^5\)

Driver looms as a Machiavellian figure in Otago business, although his energy and flamboyance redeem, to some degree, the memory of his name. He retained a strong American accent. His speech was embellished with colonial vulgarisms and, when he was roused, with fluent swearing. The Echo gently corrected him for using singular nominatives and plural verbs, "neither do educated Englishmen begin clauses in their speeches with 'I'm not a-goin' to mak' [a long speech] etc."\(^6\)

Driver took a close interest in the affairs of his native land and was United States consul in Dunedin. In 1869 he talked of a plan for New Zealand to become an American colony.\(^7\) He was incurably speculative and almost insensitive to any outside efforts to curb his recklessness. Badcock of the Bank of New South Wales evidently had his measure, describing him as "a swaggering unprincipled Yankee who will some day clear off with some of our coin."\(^8\) Driver spurned no business, large or small, ethical or otherwise, if it held the promise of a good return. He was

\(^1\) K. Sinclair and W.F. Mandle, Open Account, p. 64. For details of the dissolution of this partnership, see Otago Guardian, 30 October 1874.
\(^2\) Hugh John MacLean, fourth son of the late Alexander MacLean of Campbeltown, Argyllshire, married Jane McPherson, daughter of Duncan Stewart of Inverness. Echo, 13 January 1872. Charles Stewart is described in the NZMACo minutes of 10 May 1882 as the brother in law of H.J. MacLean.
\(^3\) K. Sinclair and W.F. Mandle, Open Account, p. 62.
\(^5\) ODT, 29 August 1871. Driver and McLean were discharged from bankruptcy before the end of the month.
\(^6\) Echo, 19 November 1870.
\(^7\) Parliamentary Debates, 23 June 1869.
\(^8\) K. Sinclair and W.F. Mandle, Open Account, p. 61.
quite at home selling "hosses" amid the chaffing and commotion of his Provincial Sale Yards, yet apparently moved with equal ease in the refined company of the Dunedin Club. G.M. Hassing witnessed an example of plucky salesmanship at Driver's horseyards in the early 1860s. An American auctioneer - probably Driver himself - was doing a brisk business on the rostrum while the yard boys galloped the horses up and down to show off their good points:

One of these wild mustangs on finishing her gallop, threw her heels into the air and fairly stood on her head, landing the rider on the ground. This brought forth the following expression of approval from the auctioneer: "There gentlemen! Just look at her. She is as playful, frisky and lively as a girl just coming out of a boarding school. Any advance gentlemen?"

Horse racing was one of Driver's passions. In sport, he displayed the same gambling spirit discernible in his approach to business. It was not beyond him to bet £100 on a horse, a fact of which he seemed proud. Political affairs also occupied a great deal of his time. There was nothing high-minded about his public career. Politics, for him, was merely an extension of business, an opportunity to further his own interests and those of his friends and clients. It was his belief that "a man who had no business worth looking after at home had no right to be a member [of the Council]." His addiction to scheming and manipulation made him a natural leader in the Provincial Council and around election time he was always conspicuous. As W.H. Cutten remarked in 1872, "if any election took place within twenty miles of Dunedin, that gentleman [Driver]... was there like 'the devil in a gale of wind', and with very much the same motives as were usually ascribed to his satanic majesty."

The MacLean brothers, John, Hugh John and Alexander, were the sons of Alexander MacLean of Campbeltown in Argyllshire. Little can be said of their careers outside New Zealand. With the possible exception of Hugh, probably none of them possessed more than a small capital at any time. When Hugh and John parted from Driver in 1874, the three brothers, supported by Stewart, started...

1 Dunedin Leader, 30 December 1863.
2 G.M. Hassing, Pages from the Memory Log of G. M. Hassing, Sailor - Pioneer - Schoolmaster, Invercargill, 1930, p. 29.
3 Otago Guardian, 7 December 1874.
4 ODT, 15 November 1870.
5 Evening Star, 31 August 1872.
their own business as woolbrokers, commission agents and auctioneers. 1 George Gray Russell was favourably disposed towards the MacLean brothers and made a point of putting some of his commission work their way. This annoyed Ritchie, who found John MacLean to be "a most insufferable beast"; he warned his partner that he would not have anything to do with MacLean "if he does not keep a better tongue in his head." 2 On another occasion he wrote: "I assure you, your excessive civility is quite thrown away on John. He is a perfect pig whether to do business with or play loo with. I have experience of both." 3

George Turnbull

George Turnbull was a native of Innerleithen, Peeblesshire. He came to New Zealand as the partner of Walter Turnbull of Wellington but there was no direct family connection between them. Walter was far more successful in business and was estimated by his bankers to be worth £100,000 in 1880. 4 George Turnbull moved to Dunedin in about 1862 to establish a branch of W. & G. Turnbull. The partnership was severed in 1868 but the style of the firm remained unaltered. 5 Turnbull's business was based upon importing, one of his main correspondents being Paton Grant & Co of Glasgow. 6 He also engaged in many sideline speculations and owned several coasting vessels. Turnbull seems to have been involved in a trading venture in Canterbury in the early 1870s, Turnbull Reeves & Co, which was unsuccessful and caused him a heavy loss. 7 One of his sons married a daughter of the Laidlaws of Matakanui, scions of another Peeblesshire family.

1 Otago Guardian, 30 December 1874.
2 Ritchie to Russell, 9 February 1875, p. 208, Ritchie Papers.
3 Ritchie to Russell, 5 June 1875, p. 11, Ritchie Papers.
4 Murray to General Manager, 24 April 1880, BNZ Archives.
5 ODT, 29 August 1894. Reid to Walter Turnbull, 27 May 1884, Reid Papers, MS Papers 2631, Alexander Turnbull Library.
7 Ritchie to Russell, 17 November 1874, p. 177, Ritchie Papers.
Percival Clay Neill

P.C. Neill was born in Belfast in 1842 and "educated for commercial life" before emigrating to Victoria in 1859. With his brother Robert, he established a firm that had branches at Geelong, Ballarat, Talbot and Melbourne. P.C. Neill extended the business to Dunedin in 1863 by establishing a house bearing the title of McCallum Neill & Co. McCallum's name was dropped in about 1868, and in 1882 Neill amalgamated with Denniston & Co. By the early 1880s, John McNall, manager of the Bank of Australasia, had also contributed £1,000 to the capital of Neill & Co. The firm's capital was small, less than £25,000, but it pushed business aggressively around New Zealand and had a turnover of £160,000 a year. Neill & Co was the Bank of Australasia's only large client in Dunedin. McNall's advances were considered heavy and unsatisfactory by his superiors, so much so that he was suspended and removed to a branch in South Australia.

The firm imported a range of merchandise, although liquor seems to have been its mainstay. R.T. Turnbull, brother of Walter Turnbull of W. & G. Turnbull & Co, was one of its major consignors from Britain. Neill and his brothers also enjoyed close relations with Henty & Co of Melbourne, a creation of the great pioneer and mercantile family of Geelong. P.C. Neill and James Henty had the Beaumont run, carrying 10,000 sheep, for several years in the mid-1870s.

Robert Neill and John Boyd were active in the hotel and brewing business during the 1870s. Their bankers described them as "active pushing men of business - evidently disposed to trade beyond their means." They owned the Keast & McCarthy brewery for a short time in 1881 before it was converted into a company. Robert then joined his brother, William Godfrey, in an ill-fated partnership.

2 AIBR, 10 July 1882.
3 Reid to Turnbull, 23 April 1884, Reid Papers, Alexander Turnbull Library.
4 Reid to Turnbull, 23 April 1884, Reid Papers, Alexander Turnbull Library.
5 Reid to Turnbull, 23 April 1884, Reid Papers, Alexander Turnbull Library.
6 Reid to Turnbull, 23 April, 27 May 1884, Reid Papers, Alexander Turnbull Library.
7 Inspector to London, 20 November 1877, National Bank Archives.
William Hunter Reynolds

For nearly fifty years William Reynolds was almost a permanent fixture on the Otago political stage. As if by divine right, he took a seat in every Council during the existence of the provincial system. After fifteen years of service in the General Assembly, he was called to the Upper House in 1878. He was also a figure of some standing in the business world, although it is difficult to connect him with assets of any great size apart from some valuable freehold properties. His resources were sufficient to enable him to hold a multitude of company directorates, and he was certainly one of the city's best known capitalists. "Mr Reynolds is an institution", wrote the Otago Witness admiringly, "he is sui generis, he is a most busy man who calmly smokes cigarettes all day, and never seems to be doing anything." Cigarettes were indeed one of his great vices. He smoked them incessantly, making his front teeth as black as ink. "He had a way of speaking with his teeth shut, as though he could not bear to take the tobacco out of his mouth."3

There is a decidedly romantic flavour about his early life. He spent much of his youth in Portugal, his country of birth, where his father was engaged in the cork trade. Most of the family left when the Michaelist Wars broke out in 1828 but returned after six years to what may have been a fairly lucrative, if rather volatile business. Young Reynolds had several encounters with brigands and received wounds during one skirmish that left permanent scars. In about 1842 he was sent to manage the London end of the business, by which time he is said to have lost the ability to speak and write English.4

When in London, Reynolds met Macandrew and involved himself in the Otago Association. The commercial fortunes of the Reynolds family had taken a turn for the worse around this time and the Cork Company, which they had founded, may have been in difficulty. William's father and brother were persuaded to emigrate with him, while Robert Hunter Reynolds continued the

---

1 The Return of the Freeholders of New Zealand, 1882 records that Reynolds and his wife possessed land valued at some £34,000. The Mercantile Gazette, 4 June 1880, records that Reynolds and George Eliot Eliott had advanced the Dunedin Peninsula and Ocean Beach Railway Company the sum of £30,000 and Reynolds also had shares in a number of companies.
2 Quoted in ODT, 30 April 1881 (supplement).
3 Otago Witness, 24 July 1890.
4 ODT, 3 April 1899.
business in Portugal. William joined Macandrew in a business partnership that took him on trading voyages to New South Wales and America. The ties between them were reinforced by his sister's marriage to Macandrew.¹ Reynolds left the partnership in 1858 and began operating his own importing business out of a bond store on Jetty Street. He invested in land and at one time claimed to be qualified to vote for every seat in the Provincial Council.² From 1851 he was Lloyd's agent in Dunedin.³ He was a founding member of the Otago Witness company and was co-proprietor with Hyde Harris of the Daily Telegraph.⁴ Reynolds disposed of the bond store in 1868 and at some later date (probably 1882) he joined Neill by contributing £5,000 and taking a quarter share in the private company, P.C. Neill & Co. This concern was managed by Reynolds' son-in-law, G.L. Denniston, who left the company in 1893 after friction developed with Neill.⁵

William Reynolds and his brother, Thomas, were among the earliest runholders in Otago. The partnership ended in 1864 and Thomas continued their sheepfarming venture on the Mataura. He quickly ran into trouble and, in 1868, J.T. Wright (his son-in-law) and W.H. Reynolds were obliged to pay large sums to the Bank of New Zealand to cover a loan on which Thomas had defaulted.⁶ Thereafter, Thomas farmed a small property on the Peninsula called "Casilhas". He engaged in some unprofitable cork and wine speculations, wrote unsuccessful books and brooded about the fortune he might have made in Portugal. Robert Reynolds eventually prospered, acquiring his own cork forests and factories, and Thomas believed himself entitled to at least £100,000 of his brother's wealth.⁷

Richard Oliver

Oliver, a native of Cornwall, arrived in Otago during the early 1860s and began trading as an iron merchant in partnership with Thomas Ulph. He remained in the background of local affairs until Oliver & Ulph won the contract

---

¹ Reynolds himself married a daughter of William Pinkerton and was therefore a brother-in-law to John McKellar.
³ Otago Witness, 24 May 1851.
⁴ New Zealand Examiner, October 1863.
⁵ Dunedin Manager to Inspector, 31 May, 27 June, 14 June 1893, Bank of Australasia, ANZ Archives. Denniston contributed £1,000 capital and was paid a salary of £1,000 plus a commission on profits. Reid to Walter Turnbull, 23 April 1884, Turnbull Papers.
⁶ Deeds 15/272, 24/170.
⁷ Except where otherwise indicated, I have relied on the obituary of W.H. Reynolds (ODT, 3 April 1899) and the Reynolds Papers at the OESM for this account of the family history.
to build the Port Chalmers Railway. Supported by the financial might and political influence of the NZLMACo, this venture was a great success for the parties involved, and the line was sold to the government for a large profit in 1873. Falconer Larkworthy, who arranged finance for the contractors, recalled that Oliver "made a fortune out of the transaction".\(^1\) It appears that Oliver and his partner at that date, David Proudfoot, realised a profit of more than £40,000 from the sale.\(^2\)

This boost may have led Oliver to consider selling up and returning to England for a long period.\(^3\) He decided instead to make further investments in New Zealand and bought Dr Webster's Corriedale estate in 1874. The business of Oliver & Ulph was converted in 1878 into the New Zealand Hardware Company. This was registered with a nominal capital of £100,000. A description of its premises the next year suggests that it was by then a large concern.\(^4\)

Oliver became Member of Parliament for Dunedin City in 1878. The New Zealand Punch hinted that one of his main goals in politics was to secure relief for the struggling Waimea Plains Railway Company. It pictured him as the "rat-catcher" who had obtained the votes of four Auckland Members and thus ensured the defeat of the Grey Ministry.\(^5\) He immediately took office as Minister of Public Works under Hall, although if his object was to help the unfortunate railway proprietors, he did not succeed in saving them from substantial losses.

Oliver was a leading figure in other major companies, including the Westport Coal Company, National Insurance and the Colonial Bank. His influence in the affairs of the Colonial was reflected in the appointment of The Rt Hon. Leonard Courtenay to the Bank's London board in 1880.\(^6\) Courtenay came from a noted family of bankers in Penzance, and Oliver took his sister as a wife (his second marriage) in 1885.\(^7\) Ritchie was displeased at the appointment and thought Courtenay "[a] horrible Radical" - a notion that is confirmed by Larkworthy's description of Courtenay's political views.\(^8\)

---

1. Larkworthy Reminiscences, p. 1583. By 1880, it was well known that Oliver had "armassed a large fortune by contracts". *Bay of Plenty Times*, 3 January 1880.
2. NZLMACo Minutes, 18 April, 23 May, 12 September, 20 October 1873.
8. Ritchie to Galbraith, 28 May 1880, p. 197, Ritchie Papers. Larkworthy Reminiscences, p. 1583 (insert). Larkworthy and Courtenay were both directors of the Commercial Union Assurance Company. It appears
David Proudfoot

David Proudfoot, Oliver's partner in the Port Chalmers Railway, was born near Edinburgh in 1838 or 1839. He was the son of a coalminer, or a mine owner according to some reports. The family emigrated to Victoria in 1852 and his father began a contracting business, which David and his brother George, appear to have taken over. Arriving in Otago probably around 1864, Proudfoot's first major undertaking was the construction of the Dunedin Waterworks. He also built roads and bridges, and was easily the largest railway contractor in the Province.

Among his works may be counted the Tapanui Branch Line, the Awamoko Railway, the Western (Orepuki) Railway, a section of the Upper Hutt Line and various portions of the Main Trunk Line in Otago and Canterbury. Despite being the lowest tenderer, he did not win the contract for the Oreti Line in 1868. The Superintendent of Southland, J.P. Taylor, appeared to be deterred by "the revelations connected with Proudfoot's waterworks contract in Dunedin." Proudfoot did, however, build the Invercargill Waterworks in 1878.

In 1877 Proudfoot began operating a tram service in the central and northern parts of the city. Although a prolific source of litigation and controversy, the service was thought to yield him a profit of £6,000 a year. He had large interests in another suburban transport scheme, the Peninsula & Ocean Beach Railway Company. The Company's line to St Kilda was built by him and ran through some of his subdivisions at Musselburgh. It was originally envisaged that the

---

1 ODT, 3 February 1881. Proudfoot's widowed mother, Marion, and his spinster sister, Ann, settled with him at Musselburgh and lived out their lives there. Probate Files 2953 and A1198, Dunedin High Court. His sister, Jane, married George Fenwick. Another sister, Elizabeth, married J. Mondy, who is likely to have been a relation of George Mondy, a member of Robert Stout's law firm after the breakup of Sievwright & Stout. Proudfoot was the maiden name of George Mondy's mother.
2 Lake Wakatip Mail, 10 February 1866. He built bridges at Cromwell, Roaring Meg, Balclutha and Hawke's Bay.
3 Southern Mercury, 16 October 1874. (The Canterbury contract was worth £35,852.) ODT, 24 March 1878 (for the Waimea contract). ODT, 6 February 1873 (for the Upper Hutt contract). Otago Guardian, 28 March 1876 (for the Moeraki contract). See also Dunstan Times, 3 November 1871.
4 VPSPC, 1869, Appendix, p. 264.
5 Southland Daily News, 10 December 1878.
7 Company File 39, Hocken Library. The Proudfoots had roughly 40% of this company in 1875, Turnbull had 10% and Hocken 20%.
railway would be extended along the harbour to Portobello and possibly on to a new deep-water port at the Heads. This was a project dear to Macandrew's heart and it would have enhanced the value of G.G. Russell's "Glenfalloch" estate and George Turnbull's "Cosy Dell". The extension was never carried beyond Anderson's Bay. After Proudfoot began running his trams to Caversham and St Kilda in 1880, the railway ceased to be profitable. He seems to have sacrificed his stake in the Company and took no part in a bid to reconstruct it in 1882.1

Like so many of his contemporaries, Proudfoot sank substantial sums of money into land speculations, some of them in partnership with George Turnbull. He owned a large area of suburban land and built the Grand Pacific Hotel at St Kilda to capitalise on the passenger traffic created by the Ocean Beach Railway. In 1877 he and his brother undertook to purchase Fitzclarence Roberts' property at Kuriwao for £18,000.2 At the sale of pastoral leases in 1880 he acquired the Barewood run for £2,975 per annum, a price that wiser men thought excessive.3 Barewood was overrun with rabbits at the time.4 "I suppose a feather would have upset you when you heard the rent", wrote Francis Pogson to John Roberts.5 Ritchie avowed that Proudfoot would "get into a mess" through his landbuying.6 Proudfoot also accumulated 14,000 National Insurance shares. Ritchie could not discern his motive in holding probably the largest individual interest in that company: "He is a strange man."7

Proudfoot's various business activities caused him to be deeply interested in the affairs of the Harbour Board. The early years of that body's existence were disrupted by several heated conflicts arising from his intriguing. It was commonplace that Macandrew, John Davie and Turnbull, members of the first board, and later Henry Fish and H.J. Walter, showed undue favour to Proudfoot and the schemes in which they were jointly involved. Ritchie accepted the

---

1 Company File 99, Hocken Library. George Fenwick did, however, subscribe 100 shares in the new company. Reynolds and George Eliot Elliott advanced £30,000 to the company in 1881 but it was wound up in 1883. Mercantile Gazette, 4 June 1881. The tram service began with thirty-eight trams "unrivalled in the colony for elegance and comfort." New Zealand Punch, 13 September 1879.
2 NZLMACo Minutes, 29 May; 12 June; 2 October 1879. Southern Mercury, 28 July 1877. The purchase price was stated to be £30,000.
3 The previous rental was £500.
4 ODT, 5 October 1882.
5 Pogson to Roberts, 8 July 1880, 625/13, Roberts Papers.
6 Ritchie to W.S. Davidson, 24 September 1880, p. 263, Ritchie Papers.
7 Ritchie to Russell, 2 May 1877, p. 232, Ritchie Papers. These shares must have been held in the names of other parties as Proudfoot is not recorded as having anything like this number in the share register of the company.
responsibility of exposing this "ring". After he left the board in 1877, the task devolved upon Henry Tewsley of Sargoods, whom Ritchie dismissed as "a vain blathering man in many things". Larnach, another of Proudfoot's confidants, also became embroiled in these controversies.

At the height of his career, Proudfoot was a household name in Dunedin. "The familiar shape of a wire-pulling successful contractor" was everywhere known. Through his association with Macandrew, Larnach and Stout, he was believed to possess great sway over the government of which those men were members. This was most dramatically impressed on the people of Dunedin when his brother was tried in 1877-78 for the rape of a servant girl. Many were convinced of George Proudfoot's guilt in the matter, and the attempts made to interfere with the juries and the prosecution lent weight to that view. After two juries had been unable to reach a unanimous verdict, the victim's parents were induced to send her away and the government took the unusual step of intervening to prevent a third trial.

David Proudfoot was a quick-tempered and litigious man. He and his brother were regularly involved in public rows and scuffles, and David was considered a mine of wealth to the legal firms fortunate enough to secure his patronage. The scent of scandal was never very distant from him, and this perhaps accounts for the coldness with which he was treated by many of his business peers. Although he was without doubt one of the city's wealthiest and most powerful capitalists, his application to join the Dunedin Club - sponsored by George Turnbull - was rejected, making him the only member of the "inner circle" not to be admitted to that institution.

James Mills

James Mills's rapid rise to business fame cannot be explained without reference to the career of his former master, John Jones. In the early days of the settlement, Jones had been a colossus of the commercial world. He was often the

---

1 Ritchie to Russell, 18 September 1876, Ritchie Papers: "Since the meeting of the Harbour Board I have had letters & several people have stopped me on the street to say that they hope I will go on exposing the 'ring' which means Proudfoot, Turnbull, Macandrew &c!!"
2 Ritchie to Russell, 3 January 1877, p. 166, Ritchie Papers.
3 See Appendix 9, Volume Two.
4 Morning Herald, 25 November 1878.
5 See Appendix 9, Volume Two.
6 Weekly Press, 26 March 1891.
only source of cash and the only person who could discount a bill. "If you wanted any money you had to go to 'Johnny Jones'", recalled F.L. Mieville:

There was none in Dunedin except in his safe, there was no bank, and although a man might be possessed of land sheep or houses, still he might have no cash. Barter was all the rage then, and orders drawn upon each other passed current as it was impossible to pay cash or to discount a bill... The first time I had to pay my shearers and shepherds, giving them, as far as far as they required them, instead of money, clothing, tobacco, tea, anything; When they wanted the rest in cash I was helpless, and had to get some as a great favour from 'Johnny Jones'.

Jones supplied finance and stock to many of Otago's early runholders. At least one fifth of the members of the first Otago Squatters' Association had obtained funds from him at some stage in their careers. A number of Jones's loans were recorded as secured transactions, and we find among the obligants such men as John Hyde Harris (£1,600), Charles Suisted (£2,000), F.A. Orbell (£1,570), Edward McGlashan (£1,000), W.H. Valpy (£1,000), and T.B. Gillies, (£1,000). By the later 1860s Jones's dominance in the local finance market was, of course, much diluted, but he remained an important source of credit for some. To finance their sheepfarming operations the Murison brothers borrowed £10,820 from him, and F.D. Bell borrowed £10,000.

Understandably, few people speculated openly about whether Jones had sprung from convict stock. One who did, Captain Henderson, was sought out by Jones, accompanied by "the boy Mills", and viciously assaulted. It is an indication of Jones's power in the community that he was acquitted by six of the eleven magistrates despite the overwhelming evidence against him. Towards the end of his life, however, he was a far more benign figure. Each day, at early dawn, he

---

1 F.L. Mieville, "Reminiscences", MS MIE 1910, Vol. 4, Alexander Turnbull Library. For Jones's importance in matters of finance, see Cargill to William Fox, CO 208/97, p. 322.
2 The composition and aims of the association may be found in the Otago Witness for 25 October and 22 November 1856.
3 Deeds 2/282.
4 Deeds 1/333.
5 Deeds 2/816.
6 Deeds 2/1173.
8 Deeds 16/129, 22/815.
9 Otago Witness, 12 January 1861.
10 Otago Witness, 12, 19 January 1861.
took up a perch near the Post Office and surveyed the town he had seen grow from nothing, no doubt affording amusement to passers-by with his famous malapropisms. Indeed, his large frame, twenty-two stone by W.H.S. Roberts' reckoning, became almost as much a landmark as the Post Office itself. It is hard to estimate Jones's wealth with any precision. At the time of his death he owned nearly 20,000 acres of some of the best land in the Province, and he had already made generous provision for his family. An inventory of his mortgages and shares compiled in 1870 came to over £60,000. A year later, after the disposal of many assets, the residue was valued at £89,404.

James Mills was the son of a Wellington customs official. He was placed in charge of Jones's store at Waikouaiti at the age of fifteen and quickly won his master's confidence. Shortly before his death, Jones wanted Mills to be appointed manager for the other trustees of Jones's estate. "He's been a good servant", explained Jones, "and it will be something for him for life so long as he conducts himself properly." The proviso was certainly warranted. Eliza Isaac considered Mills' administration an outrage and published some startling charges against him in 1896. It is now difficult to substantiate her grievances. By bringing an action against Mills in the Supreme Court she was able to have assets worth £4,221 restored to the residue. William Isaac estimated her loss at £30,000, but the preparation of her case was hampered by the lack of important records (which Mills had lost) and the Statute of Limitations.

Jones may have set Mills on the path to fortune, but Jones's children made poor use of the advantages he provided them. William Jones seems to have been a dissolute character. Between 1869 and 1871 he conveyed all his assets to trustees for the benefit of his wife, probably because he was incapable of managing them.

---

1 An enigma or anathema was, to Jones, an enema; he talked of eating a hot collection rather than a cold collation and once reported that a cravat (corvette) was standing off the Heads. *Otago Witness*, 21 August 1890, p. 12. Ritchie to Leslie, 31 March 1891, p. 86, Ritchie Papers.
3 Deeds 29/301.
4 Probate File 193, Dunedin High Court.
5 G. McLean, *The Southern Octopus*, p. 21. The estate was sworn for legacy duty at only £57,000. AAEC 615/1, National Archives.
6 Probate File 193, Dunedin High Court.
8 Isaac to Hocken, 25 February 1895, T.M. Hocken Correspondence, M.,1/451, Hocken Library.
himself.\textsuperscript{1} He died a few years later.\textsuperscript{2} Frederick Jones incurred the displeasure of his father, who dishonoured his credit in the \textit{Waikouaiti Herald}.\textsuperscript{3} He was obliged to file a deed of arrangement with his creditors in 1870 and died leaving an estate of less than £20. The value of his life interest under his father’s will was stated to be £5,000.\textsuperscript{4} According to his wife, John Richard Jones was never actively engaged in business. He was a director of the USSCo for many years and his shares in that venture made up most of the £4,500 he left as his estate.\textsuperscript{5} William Isaac, Eliza Jones’s husband, was apparently content to live upon his wife’s inheritance. In 1884 his banker wrote of him, "[he] has a fair private income but Isaac always appears pressed for money. Be safe with him". To this remark an addition was later made in red ink: "Caution - get rid of him quietly."\textsuperscript{6} Isaac left less than £100 when he died.\textsuperscript{7} The first fortune made in Otago was thus largely squandered within a generation.

Mills, on the other hand, cleverly exploited the opportunities created by his employer’s death. Although himself a trustee of the Jones estate, he acquired shares in the small fleet of ships - the Harbour Steam Company - that Jones had built up in the 1860s. These vessels were later transferred to syndicates of owners in which he was a partner, and they formed the nucleus of what would later become the Union Steam Ship Company.\textsuperscript{8} Eliza Isaac believed that Mills had transferred a share in the steamer property to himself through a dummy transaction with John Darling.\textsuperscript{9} She also claimed that he had sold some of the beneficiaries’ highly profitable steamers to parties outside the Province, allowing the vessels in which he was interested to take up the business thus vacated.\textsuperscript{10} Her allegations have not been analysed in histories of the USSCo.\textsuperscript{11} If well founded, they would almost certainly have constituted a breach of trust.
Success came early in life for Mills, but he was not without detractors. Ritchie became one of his confidants in later years and joined the board of the USSCo in 1885. Relations between the two were not always so cordial, especially when the USSCo began to compete with the Albion line, which Ritchie represented. Ritchie thought him "altogether rather Colonial and grasping." He warned James Galbraith, proprietor of the Albion Company, that "[n]othing influences him [Mills] but necessity. He is a very slippery customer indeed." 

William Larnach

William Larnach is today the most celebrated of Dunedin’s nineteenth-century businessmen, chiefly because of his architectural legacy. Larnach’s background requires little comment. His grandfather, a Caithness man, had been a naval purser. The family fame was largely due to William’s uncle, Donald, who rose to become the London manager and the largest individual shareholder in the Bank of New South Wales. Donald Larnach possessed a great deal of influence in British financial circles and amassed a fortune of not quite £900,000. His brother James, on the other hand, was removed from the bank for dealing privately in discounts and narrowly escaped criminal prosecution.

William Larnach’s father began his Australian career as a station manager and later acquired property of his own in New South Wales. Larnach himself was manager of the Geelong and Ararat branches of the Bank of New South Wales before taking up his appointment in New Zealand. It may have been while stationed at Geelong that he acquired the trust and friendship of the Clarke family. W.J.T. ("Big") Clarke measured his wealth in millions of pounds. Larnach’s well-known intimacy with Clarke and his sons played a crucial part in his business ventures. The Clarkes made some large loans to Larnach, and their backing also enabled him to obtain, from other sources, finance that might otherwise have been denied him.

1 Ritchie to Galbraith, 13 January 1876, p. 25, Ritchie Papers.
2 Ritchie to Galbraith, 1 July 1876, p. 86, Ritchie Papers.
4 He spent four months as a miner on the Turon field where he befriended R.H.J. Reeves, later a Member of the New Zealand House of Representatives. He set up the Ararat branch during the height of the rush there. His status was apparently sufficient to allow him to spend a week in the company of the Prince of Wales before his departure for Otago. Larnach Papers, OESM.
Larnach was an inscrutable character. To those who knew him in business he often appeared moody and aloof, yet he was also extremely persuasive and he easily dominated weaker minds. He was much given to speculation and was confident almost to the point of carelessness in his financial planning. The need to maintain a show of material success at any cost seemed to be a ruling instinct; he could not bear to betray any hint of weakness or indecision. In his public utterances he was disarmingly vain. After reading one of Larnach's addresses in 1887, a correspondent wrote in disgust to the ODT, "I... never before this could have believed that any person having a well-regulated mind, and professing to be a gentlemen, could descend to blow his own trumpet so hard." It was a criticism that might have been levelled at many of his other speeches.

Larnach took pride in his physical vigour. He invested his time and money in a very large number of local companies, ranging from banking and insurance to Turkish baths. He tended to be restless and inattentive when confronted with difficulties and sometimes lapsed into heavy drinking during periods of mental depression. During litigation over his deceased estate, witnesses described Larnach as an indulgent father and a highly honourable man - indeed, "the soul of honour". The judge, however, also noted that he was:

... a masterful man. Mr Sievwright, who had been his solicitor, says, "He was a strong, high-tempered man. It wasn't safe to contradict him. If I, as his adviser, contradicted him he'd fire up and walk out of the room."

Larnach was by no means stepping into an unfamiliar social environment when he came to Dunedin. Many members of its business community would have been known to him, at least by reputation. Two of his closest friends were resident here: George Webster of East Dome station, and Tolmie, an old friend from Geelong. Larnach had already met Vogel and probably James Rattray in Australia and there were kindred spirits like Driver and David Proudfoot to whom he quickly became attached.

This introduction to the "inner circle" must include some reference to the background and character of Julius Vogel. Vogel left Otago in 1869, but the ties he

---

1 ODT, 23 September 1887.
3 NZLR, 1899, Vol. 18, p. 357.
had formed with certain members of the circle would have a significant effect on relations within it. Born to a family of English Jews, he left for Victoria in 1852. There he followed a variety of pursuits, eventually winning a measure of local fame as the editor and proprietor of several goldfields' newspapers.\(^1\) He was also known as "a sharp and bold mining speculator" and "was a by no means contemptible player of unlimited loot."\(^2\)

In 1861 he ran unsuccessfully for a seat in the Victorian legislature. It was after this that doubts about his political honesty first began to surface. Although Vogel professed to represent the interests of miners and cockatoos, some Victorians came to Otago with the impression that his loyalties in this election lay more with the squatters. This supposed duplicity was referred to on several public occasions.\(^3\) Horace Bastings even accused him of being a nominee of the Victorian Association, a body funded by certain squatters, which was responsible for organised corruption in the Victorian Assembly.\(^4\)

Between 1866 and 1869, Vogel represented the Otago Goldfields in Parliament. The *Cromwell Argus* described his election as "one of those extraordinary flukes which sometimes happen to men like him."\(^5\) As no other candidates could be tempted to come forward and make a contest, Vogel and Charles O'Neill were elected unopposed. The feeling towards Vogel on the goldfields was ambivalent, in spite of his Victorian antecedents. Apart from one excursion to Tuapeka, he never visited his electors and discontent ran high over his land policy in the late 1860s.\(^6\) The *Tuapeka Times* called his arrival in the colony "one of the most unfortunate accidents ever to befall Otago."\(^7\) Even at the time of his appointment to office in the Provincial Government, the *Lake Wakatip Mail* had been suspicious of "his squatting proclivities", and believed "that in some way or other he had bound himself hand and foot to the pastoral tenants".\(^8\)

---

1. *Illustrated New Zealand Herald*, 20 November 1873. The *Brisbane Courier* added an unusual detail about this period of Vogel's life. It claimed that he had acted as interpreter for a shipload of artisans, mainly Germans and Poles, who had been shipped to Australia to work on the railway between Melbourne and Ballarat. Quoted in the *Yeoman*, 1 February 1890, p. 14.
2. *ODT*, 20 February 1871.
3. For example, *Otago Witness*, 4 April 1863.
5. *Cromwell Argus*, 17 August 1870.
8. *Lake Wakatip Mail*, 25 December, 1867. In other locations the people were more forgiving. See *ODT*, 29 June 1868.
Once in Otago, Vogel was attracted back to his old profession of journalism. Together with W.H. Cutten, proprietor of the Otago Witness, he launched the ODT. Although he claimed to have possessed a quarter share in the paper, it is unlikely that Vogel could have brought a large amount of capital into the business. He had reputedly lost most of his modest resources through speculations in Australia, and may have been of very limited means when he arrived in the Province.\(^1\) Cutten withdrew from the partnership in 1864. Vogel undertook to buy his share for £6,000, paid a cash deposit of £500 and took in Benjamin Farjeon as his new partner.\(^2\) He raised a mortgage of £4,000, which he was soon able to repay.\(^3\) Thomas King of London also seems to have had an interest in the concern. Vogel contracted debts to this man and was unable or unwilling to pay them off. He offered to submit the matter to arbitration, claiming that a balance of accounts would be in his favour, but the outcome of the dispute is not recorded.\(^4\)

In the troubled years that followed, Vogel struggled financially. The paper had to be disposed of to a limited company in 1866. Most of the shares were taken up in small parcels by Dunedin businessmen and runholders. Vogel was credited with shares representing a contribution of about £3,000 paid up. These were vested in the chairman in trust for Vogel as part of his guarantee that the paper would pay a dividend of 10% per annum for three years.\(^5\) He did not last three years with the company and was sacked as editor in 1868.\(^6\) This left him in an awkward situation. His enemies alleged that he relied upon holding office in the Provincial Executive to make ends meet.\(^7\) When this source of income became too precarious, he left for Auckland.

Vogel won friends among Dunedin's leading citizens with surprising ease. As a newcomer and a Jew, his political aspirations were initially treated with some derision. The New Zealand Examiner wrote:

> His presence in the Council seems to have been regarded as an intrusion, and no doubt the Old Identity were horrified when this daring intruder began to talk to the great men of the past and the dignitaries of the present as if he were their equal. Talk to them,
however, he did, and that "like a Dutch Uncle"... Having but little refinement himself, he cares nought for the feelings of others.¹

Vogel was already breaking down the barriers to his social advancement. By the time this article was written, he had already gained admission to the Dunedin Club. He seemed impervious to the insults directed at him and wore down political opponents with his remarkable loquacity: "[i]nextinguishable laughter fails to put him out of countenance; derisive cheers and manifestations of impatience cannot make him sit down."²

Vogel was believed to possess formidable mental powers. His concentration was such that he could write an editorial and at the same time follow and join a debate in the Provincial Council.³ He soon acquired the reputation of being a gifted financial thinker, although his own career in business might have suggested otherwise. He had a gross appetite. He was still a young man and fond of sport, but his figure was already "overgrown by the accretions of a comfortable corpulence."⁴ In later years his gluttony would attract much comment. When complaints were made about fetid odours in the debating chamber of the House of Representatives, a contributor to the Otago Workman perceived a link with Vogel:

I have myself, when a waiter at the _____, seen Sir Julius get outside of two ducks, a ham, and half a junk of beef, with drink and trimmings in proportion, and never look the worse for it. He then made an excellent speech on the desirability of getting up a ten million pound loan, and ever since I saw Sir Julius perform that gastronomic feat, I have not been surprised that there were putrescent smells in the House.⁵

While attending sessions of the General Assembly in Wellington, Vogel became known for his habit of lunching on salad. On entering Bellamy's one afternoon, when Vogel was enjoying this dish, Pyke repeated Milton's words:

Lo! on the green and tender herb
The gentle dew descends.⁶

¹ New Zealand Examiner, November 1863.
² Oamaru Times, 27 April 1865.
³ MacLeod Orbell, "Reminiscences of Early Life in New Zealand 1849-1870", Christchurch, 1909, p. 121.
⁴ Lake Wakatip Mail, 19 December 1867.
⁵ Otago Workman, 26 November 1887.
⁶ ODT, 6 September 1884. Yeoman, 25 January 1890, p. 5.
These aspects of Vogel's character are important in explaining his subsequent relations with certain of Otago's principal businessmen. Conscious of his abilities, he was an ambitious, yet generally amiable individual. He could also be vain, pompous and unscrupulous. The spectre of financial insecurity was never very distant, and he came to Otago with a political reputation that was less than immaculate. He understood the value of political patronage and was in some ways enslaved by it. Edward Wakefield, one of his greatest enemies, unkindly remarked that Vogel "owed all his success to his singular skill in discovering everyman's price. The first thing Sir Julius Vogel asked about a man was - 'what does he want.'"  

Vogel became the focus of the divisions between factions within the "inner circle". Reynolds and Driver were among his closest friends. Larnach was also an intimate until the recriminations over the New Zealand Agricultural Company drove them apart. For these men, Vogel was a direct link to the highest level of politics. It was also said that Tolmie could have had a place in Vogel's cabinet at any time, and was being groomed as a possible Colonial Treasurer.  

McLean joined his Ministry in 1876, although this seems to have been a union owing more to expediency than friendship. Others were deeply suspicious of his character and policies, especially once rumours began to circulate about his connections with the Bank of New Zealand. Ritchie and Holmes both detested him. Holmes named prize Berkshire boar "Julius Vogel", and exhibited it around the country, bearing a conspicuous name tag.  

---

1 Morning Herald, 26 July 1879.  
3 James McIndoe Clipping Book, OESM.
CHAPTER TWO - THE "INNER CIRCLE" AND THE OTAGO ECONOMY

The seventeen men described in Part One, Chapter One form the group that most closely resembles the subjects of Stone's history of the Auckland business community. To appreciate more fully the reasons for their selection, the nature of their activities and their place in the overall structure of the Otago economy, it is necessary to consider in greater depth the major forms of business enterprise in the early 1870s. This exercise is also valuable for what it reveals about the evolving relationships between these people - information that is vital in interpreting subsequent events in Otago's business history and developments in the political sphere. The discussion of the business environment in which these men moved is dealt with under ten headings: the pastoral industry, goldmining, banking and finance, the stock and station business, shipping, importers and merchants, manufacturing and the extractive industries, internal transport, the professions and miscellaneous business groups, and the press.

The Pastoral Industry

Throughout the 1860s and 70s, pastoralism, shipping, banking and finance formed the most important channels for capital. The privileges of the pastoralists also became a major issue in politics. It is artificial to separate the history of the urban business community from that of the pastoral sector, and there must be some inquiry into the woolgrowing industry in Otago.

Eldred-Grigg's _A Southern Gentry_ has created an appealing image of South Island pastoralism in the nineteenth century. Although it appears that his "gentry" model was originally conceived with a narrow segment of Canterbury society in mind, there is no suggestion that Otago landowners represented a major departure from the pattern. Some of Eldred-Grigg's more important claims are based on a survey of 314 people who owned estates of more than 5,000 acres in 1866.¹ It is not clear whether these 5,000-acre estates include leasehold properties. A comment that "[t]he runs had all become proper estates by the late 1860s" leaves the reader in some doubt.²

¹ S. Eldred-Grigg, _A Southern Gentry_, p. 76. The size of the sample is given elsewhere as 341 (p. 117) and 347 (p. 47), but the breakdown of estate owners on p. 76 adds up to 314.
² S. Eldred-Grigg, _A Southern Gentry_, p. 47. Eldred-Grigg calls the distinction between "squatters" and freeholders a "minor" difference in tenure. S. Eldred-Grigg, _A Southern Gentry_, p. 42.
Eldred-Grigg divided his 314 landowners into four classes. "Upper class" proprietors, comprising 17% of the sample, are defined as the sons of noblemen, baronets, landowners listed in Burke's *Gentry*, admirals and generals. Members of the "upper-middle class", making up 60% of the group, are classified as the sons of squires, rich businessmen with country seats, military officers below the rank of general or admiral, clergy below the rank of bishop, London stockbrokers, judges, colonial landowners with English country seats and wealthy Scots lairds. Men belonging to the "lower-middle class" account for 23% of the estate owners. They include the sons of large farmers, engineers, surgeons, schoolmasters, dyers, millowners, surveyors and poor Scots lairds. A mere 1% are said to have come from "lower class" families.1

There are certain problems with this categorisation. Distinctions between army officers, clergymen and stockbrokers of the "upper-middle class" and millowners, surgeons and engineers of the "lower-middle class" must often be arbitrary. The author acknowledges the difficulties of imposing class distinctions on the products of Scottish society. The ranking of Scottish clergymen according to class would be of little help, and one would also expect that those pursuing "lower-middle class" occupations might well have held a higher status in that country.

An analysis based on freehold properties above 5,000 acres has limited validity in Otago. Although there were some extensive freehold estates by 1870, the pastoral industry was still based upon the grazing of large runs leased from the Crown. Flock size is therefore a more appropriate criterion to apply to the pastoralists of Otago, and a list has been compiled of the runholders or firms who are recorded as owning more than 5,000 sheep in 1870.2 This is supplemented by the addition of Southland woolgrowers who appear on the 1872 sheep return after the reunion of the two provinces. In total, 139 runholders or runholding partnerships have been identified.3

It is difficult to generalise about the backgrounds of these men because of the uneven quality of the available information. Some significant patterns are nevertheless apparent. Those men who fit naturally into Eldred-Grigg's upper class are few. Among those who would certainly qualify are G.M. Bell (the son of

---

1 S. Eldred-Grigg, *A Southern Gentry*, p. 76.
3 See Appendix 10, Volume Two.
an Australian Governor), Sir Edward Stafford (an absentee) and A.R.C. Strode, whose father was an admiral.

F.G. Dalgety, another absentee, could claim "gentry" origins, although he is described by his biographers as a self-made man. He was foremost among a small cluster of men - mainly Australians - who either possessed large amounts of capital in their own right or were connected with major firms in England or the colonies. Ibbotson and Sir H.E.F. Young were his partners. Robert Campbell senior had his country seat in England, but his father had gone to Australia as an officer on a convict vessel and made his fortune there, as did the Wentworths. McLaren Renshaw & Co, George Webster and E.R. Anderson had ties with large firms operating from London.

Military officers or their sons form a category that clearly corresponds with Eldred-Grigg's "upper-middle class". At least nine of these families had been in some way connected with the Indian Army and a tenth, the Loughnans, had served in the Indian Civil Service. Six runholders, including two from the military category, were the sons of Anglican clergics.

The core of the runholding community in 1870 might broadly be described as middle class, but it is difficult to divide it further into "upper" and "lower" middle classes. This middle class rump included lawyers, doctors, bankers, engineers, merchants and manufacturers. Two men were the descendants of West Indian sugar planters.

Some possessed an upper class pedigree, but the number was not large. In this respect, Burke's Colonial Gentry is not always a reliable guide. This companion to his Peerage was not published until 1890. It is not known whether the families listed in this work were invited to submit entries or paid to have them inserted. Fewer than twenty families of Otago landowners are mentioned, not all of whom are in the present sample. Several of those listed, including Pillans, Clarke, McMaster and John Reid, appear to have had debatable claims to an upper class lineage. Men such as Strode, the White brothers and John Orbell would have

---

2 For the purpose of this calculation, the Hodge brothers and the White brothers have been treated as two runholders rather than four.
qualified as gentry by Eldred-Grigg's criteria, but their genealogies are not recorded by Burke.

Although he was a gentleman by birth, Orbell was forced to emigrate because he had lost all his capital. The early diaries of F.S. Pillans reveal a life of heavy toil and some nervousness about risking his modest resources in runholding. Such individuals do not easily fit the stereotype of Eldred-Grigg's gentry. Even W.H. Teschemaker, who is sometimes portrayed as a classic specimen of the southern gentry, started his life in New Zealand with only £1,000. His brother, Charles, was forced into bankruptcy in 1865.

Only a handful of men from this middle stratum - Holmes, Rich, Shennan and Wilkin - can be positively linked with farming families. It therefore seems that many of Otago's runholders began their colonial careers without any obvious background in sheepfarming. This probably reflected a belief in the quick profits that runholding might supply, rather than a general desire to achieve "gentry" status through ownership of land in New Zealand.

Eldred-Grigg identified only two members of the "lower class" from his sample of 314 landowners. Among the runholders of Otago in 1870-1, there were considerably more who fell into this category or who were, at best, on the margins of the middle class. They included at least six shepherds, a number of artisans and storekeepers, and two butchers, including "Big" Clarke. The whaling captains, Stevens and Howell, may also be placed in this category.

Some of these men achieved conspicuous success. From humble beginnings, the Boyd brothers, James Logan, James Chapman Smith and "Big" John McLean each made fortunes in excess of £100,000. Walter Miller and Hugh McIntyre, both former shepherds, did not fare so well, but were sufficiently creditworthy to obtain mortgages in the vicinity of £50,000 each.

Wealth on this scale generally made up for any lack of breeding, but there is evidence that some social barriers remained. John McGregor was connected by marriage to the Low family, who, in turn, had partnership links with one of the Province's greatest flockowners, Robert Campbell. T.C. Low had been a hotelkeeper in Scotland, and McGregor kept a public house at Taieri Ferry.

---

1 For example, entry for 10 November 1851, F.S. Pillans Diary, Hocken Library.
2 For example, Olssen has written: "W.H. Teschemaker and his brother, heirs to a fortune made in the Dutch West Indies but educated in England, quickly adopted the life-style of English gentry". E. Olssen, A History of Otago, p. 52. Charles de Vere Teschemaker's bankruptcy is recorded in the Otago Witness, 27 May 1865.
Bell noted this when McGregor was proposed for the Commission of the Peace. He acknowledged that McGregor was "a respectable man enough", but added: "... I don't think a man who has kept a public house should be put in the commission."

Some thirty-five runholders (counting members of the same family as one) can be identified as having passed through Australia. Of these, thirteen were certainly born in Scotland, eight in England, one in Jamaica, one in the United States and four in Australia. The origins of the remaining Australians have not been positively identified. Eldred-Grigg distinguished only those estate owners who had been born in Australia. Olssen has criticised this as "an excessively narrow definition in the nineteenth century". It obscures any effect that experience of Australia might have had in reshaping the social aspirations of British emigrants. It also underestimates the importance of Australian capital in the Otago pastoral industry. So far as can be ascertained, the wealthiest capitalists all shared some connection with Australia: Campbell, "Big" Clarke, "Big" John McLean, Dalgety, Ibbotson, Young, Bell, and the Gellibrand and Smith syndicate. These men were all from leading families in the Australian colonies or had garnered large amounts of capital from their activities in Australia.

A further sixteen runholders were certainly born in England, and twenty-nine in Scotland. There were at least two natives of Ireland. This leaves a large number of the sample - more than fifty - whose country of origin cannot be readily ascertained. The number whose religious affiliation is unknown is even higher. Roughly thirty Anglicans, sixteen Presbyterians and two Roman Catholics have been identified. This result is perhaps too small to demonstrate a trend, but we know that at least forty-two runholders were born in Scotland, yet only sixteen Presbyterians are positively identified. This leaves room for the possibility that Presbyterians made up a greater portion of the whole sample than the number of positive identifications suggests, although it cannot be assumed that all Scots were Presbyterian. McGregor, McLaren, Low and Captain Hamilton were born in Scotland but worshipped as Anglicans. D.A. Cameron was a Catholic. Those for whom no religion or nationality can be identified were not, on the whole, men

---

1 F.D. Bell to McLean, 21 October 1869, MS 32, Alexander Turnbull Library.
3 This figure excludes Sir Edward Stafford, who was born in Scotland but spent much of his early life in Ireland.
4 See Appendix 12, Volume Two.
who possessed typically Scottish surnames. This would weigh against the likelihood of a Presbyterian majority among the sample as a whole.¹

Eldred-Grigg purports to explode the "general scholarly idea that early South Island runholders were bourgeois men on the make."² His inquiries suggest instead that "they are not Australians, nor are they Scots, nor are they middle class. They are overwhelmingly English and almost completely upper class and upper-middle class."³ On the evidence of the sample analysed here, it appears that the "general scholarly idea" accurately represents the position in Otago in 1870.

Most of these southern runholders were from middling backgrounds. The element that best corresponds to Eldred-Grigg's "upper-middle class" consisted predominantly of military men, mostly Anglo-Indians, but it does not seem large enough to suggest that the "upper-middle class" outnumbered the "lower-middle class" by nearly three to one, as his statistics indicate. The "lower class" group was clearly larger than 1% in Otago. Unless uncritical reliance is placed on the listing of a family in Burke's Gentry, the proportion of "upper class" flockowners in Otago falls well short of 17%.

Eldred-Grigg argues that "the landowners of 1890 were much the same as in the 1860s."⁴ Of his 341 private owners of large runs in 1866, 230 (or their descendants) still held land in 1891. Even applying the 5,000-acre threshold, the conclusion must still be that "the most important tendency in property ownership was dynastic."⁵

Appendix 15 suggests that the southern runholders of 1870 were not such a stable group. This diagram charts the duration of tenure from 1870-89. It reveals that only about one third of the sheepowners contained in Appendix 10 were still present in the sheep returns after nineteen years. This group may be broken down into several categories: those who were insolvent, those who had died and whose estates were carried on by trustees, and absentees. The remainder might be loosely divided between those who were clearly not from "gentry" backgrounds and those who possibly were. The latter category is small, containing perhaps ten

¹ See Appendix 13, Volume Two.
² S. Eldred-Grigg, A Southern Gentry, p. 75.
³ S. Eldred-Grigg, A Southern Gentry, p. 75.
⁴ S. Eldred-Grigg, A Southern Gentry, p. 117.
⁵ S. Eldred-Grigg, A Southern Gentry, p. 117. A statistic cited elsewhere by Eldred-Grigg hints at a more fluid pattern of tenure. He notes that of 156 estates in Canterbury, more than seventy changed hands in the 1860s and some were sold several times (p. 47). Unless this trading was confined within a closed group of landowners, which would suggest a rather aimless pattern of buying and selling, this figure is difficult to reconcile with the 1866-90 comparison.
runholders. Most of the men within it were from the middling elements of Eldred-Grigg's "gentry" spectrum. The retention of flocks within wealthy gentry "dynasties" was thus more the exception than the rule. Combining the "gentry" and "non-gentry" survivors yields a much smaller number than Eldred-Grigg's comparison of landowners in 1866 and 1891. On his calculation, 67% of the original group still owned land in 1891.

In Otago, the pastoral industry mirrored the restlessness of the urban business world. Insolvency, emigration, the breakup of partnerships and other pressures to liquidate capital meant that there was a high turnover of investors. Fortunes were not easy to acquire and retain. Of the runholders in Appendix 10, sixty-five are known to have been foreclosed or become insolvent, as opposed to thirty-eight who are known to have left estates of £10,000 or more.¹

An important point to be drawn from Appendix 10 is the level of borrowing by Otago pastoralists. Eldred-Grigg considered that the links between urban and rural capital were "too complex" to be explored in A Southern Gentry.² From his brief remarks on the subject, it seems that he views the urban business community as a field for investment by a wealthy, independent gentry. These men possessed a "stranglehold over the island's export wealth" and used their surplus capital to extend their control over "the production of domestic wealth."³

The obligations of Otago runholders in the late 1860s and early 1870s suggest that they were reliant on borrowed capital to a far greater degree than Eldred-Grigg has assumed. It is likely that their indebtedness was even more widespread than appears from Appendix 10, for lending institutions did not invariably register the mortgages they held and borrowing from private sources seems to have been common. This was admittedly a time of serious depression in the industry, and a high level of mortgage debt is to be expected.⁴ Even so, the number of runholders from the 1870 list who lost their runs after foreclosure in the 1880s suggests that these debts were sometimes difficult to clear.

In any event, it is apparent that the financial section of the business community was deeply interested in the fortunes of the runholders. Importers and other merchants, like John Reid, George Turnbull and the Butterworth Brothers,

---
¹ See Appendix 14, Volume Two.
² S. Eldred-Grigg, A Southern Gentry, p. 55.
³ S. Eldred-Grigg, A Southern Gentry, p. 55.
⁴ The Dunedin advances of the Bank of New South Wales increased from £220,000 in 1866 to £420,000 in 1869, in spite of repeated letters to the manager, Charles Stewart, urging reductions. K. Sinclair and W. Mandle, Open Account, p. 61.
had also made loans. The political union between the runholders and urban business interests becomes explicable in the light of this fact. It is also clear that the heavy borrowing requirements of the pastoral industry conferred a powerful influence on the merchants and representatives of financial institutions, who controlled the sources of credit. There were, of course, a number of wealthy pastoralists who took a leading part in the business life of the city, Robert Campbell and "Big" John McLean being the best examples. But there remain strong grounds for suspecting that Eldred-Grigg's picture of an affluent gentry, virtually immune from the effects of recession and the need to borrow, has disguised the real locus of financial power in South Island society.

**Goldmining**

The leading businessmen of Auckland were conspicuous in the development of the Thames goldmining companies, especially in the years 1869-72. Some made their fortunes directly from investments in mining scrip.1 Dunedin capitalists were less inclined to involve themselves in such ventures. Most mining companies were registered under the Mining Companies Act 1865, and few records exist for these concerns. A much smaller number were incorporated under the Companies Act of 1860, although the requirements of this legislation have resulted in the survival of more information about these companies. In neither case do members of the "inner circle" feature prominently as directors or investors. W.H. Reynolds was a promoter of the Skippers Quartz Mining Company in 1866, and Proudfoot and John Cargill appear on the provisional directorate of the New Shotover Terrace Mining & Sluicing Company in 1877.2 Ritchie interested himself in the Phoenix Mining Company, probably because the man behind this venture, G.F. Bullen, was an important client. He seems to have had little faith in the mine: in an inventory of Bullen's assets in 1872, he described it as being of doubtful value.3

More frequently, Dunedin mining investors tended to be businessmen of the second rank, men such as Edward McGlashan, G.F. Reid, Bathgate, Vogel and Hocken. But by and large, the companies formed to work Otago's goldfields were in the hands of local merchants and notables, miners, shopkeepers and the original proprietors. This pattern also emerges from Hearn's study of the Matakanui

---

goldfield. His research showed that a monopoly did not emerge on this field until well into the twentieth century, and ownership of mining property remained in local hands throughout. Preliminary investigations into other areas, including St Bathans and Teviot, suggest that Matakanui was not an unusual field in this respect.

Eldred-Grigg has claimed that by the late 1860s "gold mining had become highly organised and capitalised. Companies replaced individuals. A few miners formed co-operatives, but most of them were taken over by big Dunedin companies." As "high capitalism toned down the goldfields", the miners became a "rural peasantry" - hence their supposed political docility, a matter that is further discussed in Part Three, Chapter One. It seems reasonably clear, however, that Dunedin capitalists did not possess this level of control in the mining industry by 1870. The dredging boom at the end of the 1880s may have excited greater interest from city investors, but that question awaits a comprehensive study.

Banking and Finance

Banking in Otago in the 1860s During the 1860s and 1870s, individuals and private firms remained a major source of credit for Otago businessmen and runholders. Increasingly, however, banks and loan companies began to dominate the local finance market. The first significant commercial banks in Otago were the Union and the Oriental. Having received little encouragement from its experimental branches, and with serious losses to cover in Ceylon, the Oriental Bank sold its New Zealand interests to the Bank of New South Wales in 1861. That year, Falconer Larkworthy set up the BNZ in Otago with assistance from a local committee of Mathew Holmes, John Jones, Edward McGlashan, E.B. Cargill and William Reynolds. In 1864 the Bank of Australasia opened in Dunedin. It made only slow progress and attracted little support from the city's larger businessmen.

---

2 T.J. Hearn, "Structural Change in the Otago Gold Mining Industry", p. 90.
3 T.J. Hearn, "Structural Change in the Otago Gold Mining Industry", p. 91.
4 S. Eldred-Grigg, A Southern Gentry, p. 41.
5 S. Eldred-Grigg, A Southern Gentry, p. 41.
6 N.M. Chappell, New Zealand Banker's Hundred, Wellington, 1961, p. 42.
Efforts to develop banking institutions peculiarly identified with Otago were not crowned with success in the 1860s. The Dunedin Savings Bank, which was formed in 1864, operated in a very small way. It was conducted from a room in Farley’s buildings and only opened twice a week in the evening. There is little evidence to suggest that it commanded more than a tiny share of the Province’s banking business in the nineteenth century. Edmund Smith, a former employee of W.H. Reynolds, managed this concern until his death in 1895.

The New Zealand Banking Corporation was registered in 1863 and was governed from London. It was originally promoted as the Inter-Colonial Bank of Australia & New Zealand, but the success of the BNZ persuaded its management to confine attention to Otago, where it traded briefly as the Commercial Bank of New Zealand before again changing its name. This bank was closely identified with the Hankey family, owners of one of the oldest private banks in London. Members of the family held roughly one tenth of the capital, and the Consolidated Bank, which they also controlled, acted as bankers in the floating of the New Zealand Banking Corporation. The other proprietors were mainly English merchants and professional men. Edward Pakenham Alderson, who was associated with the Dunedin firm of Douglas & Alderson, was one of the few shareholders with an obvious Otago connection. Only 2,535 of the 58,000 shares were held in New Zealand. John Reid Mackenzie, formerly of the Bank of Ceylon, was the manager in Dunedin. He was credited with 6,600 shares but the reason for this large number is probably that he was entrusted with their disposal to new shareholders. His co-directors in the colony were W.H. Reynolds and John Hyde Harris, who each took two hundred shares.

Some of the business done by the New Zealand Banking Corporation during its brief existence was clearly unsound and one transaction appears to have been

---

2 Otago Witness, 20 June 1895, p. 27.
3 Australian and New Zealand Gazette, 2 May 1863. New Zealand Examiner, 17 March 1863. At one time an associated mortgage company was contemplated. ODT, 13 March 1868.
4 The Times, 29 May 1866.
5 Australian and New Zealand Gazette, 1 August 1863. Lists of shareholders are held at the Dunedin High Court. Copies are in the author’s possession.
6 Australian and New Zealand Gazette, 27 June 1863.
7 Lists of Shareholders, New Zealand Banking Corporation, Dunedin High Court.
quite irregular. MacKenzie had made advances to Stephen Hutchison, the contractor for the city gas works and a large shareholder in that concern. Several of the bank's directors decided to buy the gas company as a private speculation, expecting it to yield a large profit if the company could be reconstructed in London. Hutchison's solvency must have been doubtful and the bank had already made advances to him beyond its security. 1 MacKenzie was nevertheless instructed to provide Hutchison with further finance so that he could buy up shares on behalf of the bank. Complications arising from this arrangement resulted in legal action when the liquidators of the New Zealand Banking Corporation forced Hutchison into bankruptcy in 1868. Hutchison thereupon assigned his gas works lease to his brother. To the astonishment of many in Dunedin, their joint account was taken up by the Bank of New South Wales, which had then to write off £20,900 against their debts two years later. 2

The New Zealand Banking Corporation failed in the crisis that swept the English financial world in 1866. A tenth of its nominal capital of £600,000 was paid up, a figure that Baxter suggested was insufficient. 3 During the height of the panic, when £30,000 of its drafts were returned as being "not provided for", there was no possibility of making a call and the bank's assets were mainly locked up in New Zealand and useless for the purpose of giving temporary assistance. At the time of its suspension, the bank was thought to be able to cover its liabilities by a comfortable margin. 4 Failures in Dunedin weakened its position and it was necessary to levy a call of £3 10s per share. 5 In a step designed to avoid a rushed and potentially ruinous liquidation, H.A. Hankey purchased the claims of creditors to the extent of six shillings in the pound. 6 A dividend of 7s 4d had already been paid by the bank and the balance was covered by promissory notes payable in 1870. In this way, Hankey became possessed of Hutchison's gas works interests and other properties that had fallen into the bank's hands in Dunedin. English shareholders lost £5 10s per share. 7

---

1 ODT, 12 July 1864
4 The Times, 23 May 1866.
5 The Bank became involved in the bankruptcies of J.C. Brown, W.J. Dyer, W.H. Mansford. Hutchison and other clients like Hyde Harris, Thomas Reynolds and Shadrach Jones were also in trouble.
6 New Zealand Examiner, 30 January 1869.
7 Deeds 24/1108.
Already afflicted by other financial worries at this time, W.H. Reynolds objected to paying the £700-1,000 levied upon him in calls and claimed that he had been induced to join the New Zealand Banking Corporation on the basis of misrepresentations. He alleged that a large parcel of shares not taken up by the public had been placed in the hands of a syndicate of Hankey's friends, who had not made a fair contribution to the liabilities of the company. Hankey assured him that this "band of brothers", as Reynolds called it, had actually paid £40,000 towards the bank's losses, and Reynolds' attempt to evade the calls was defeated in court.\(^1\) The New Zealand Banking Corporation did not have a strong hold in Otago and its collapse occasioned little disruption among the business community in Dunedin.

The Bank of Otago was floated in Edinburgh but soon transferred its head office to London.\(^2\) Its most direct link with the "inner circle" was through William Walter Cargill who joined the board in 1864.\(^3\) At least two other directors seem to have had connections with companies operating in Otago.\(^4\) This was not Cargill's first involvement in New Zealand finance. He had tried to establish a chartered loan company for New Zealand more than ten years earlier.\(^5\)

It has not been possible to substantiate Olssen's claim that "a group of Dunedin capitalists subscribed sufficient capital to found the Bank of Otago."\(^6\) That writer has possibly confused the Bank of Otago, which was clearly a British initiative, with the Colonial Bank of New Zealand.\(^7\) Of the founding shareholders of the former bank, 190 resided in Britain and 119 in New Zealand. By 1872, British shareholders outnumbered those in the colonies by 253 to 45.\(^8\)

The first manager of the Bank of Otago was John Bathgate, Procurator Fiscal of Peebles. Bathgate had an unhappy career with the Bank. His main blunder was to help finance the Southland Provincial Government during its foray into railway construction.\(^9\) The Provincial Government's borrowing requirements greatly

---

\(^{1}\) Deeds 25/1108. \textit{ODT}, 9 June 1871.
\(^{2}\) \textit{New Zealand Examiner}, August 1866.
\(^{3}\) \textit{New Zealand Examiner}, March 1864.
\(^{4}\) Samuel Edenborough and Joseph Morrison (of James Morrison & Co) were both linked to firms receiving wool from New Zealand.
\(^{5}\) \textit{New Zealand Journal}, 31 July 1852, p. 740.
\(^{6}\) E. Olssen, \textit{A History of Otago}, p. 66.
\(^{7}\) Olssen refers to the Colonial Bank of New Zealand as "the Bank of Otago" and "the Colonial Bank of Otago". \textit{A History of Otago}, pp. 120, 127.
\(^{8}\) Lists of Shareholders, Bank of Otago, Dunedin High Court. Copies are in the author's possession.
\(^{9}\) Bathgate's loan to the Dunedin City Council was another mistake. The Council's overdraft was £12-13,000 when Bathgate was required to call it up in 1866. \textit{Oamaru Times}, 2 August 1866.
exceeded the anticipated limits and swallowed up more money than the bank could supply. In order to cover the debt, which, at its worst, crept over £160,000, the directors were forced to borrow in London £109,000 in special loans. These could only be arranged at a very high rate of interest and on the personal guarantee of the directors. This was a serious position for the Bank to be in at a time of acute uncertainty in the London money market, and drastic measures were taken. John Ellis, one of the Bank's main shareholders, bought 61,750 acres of Southland land at £1 an acre to allow the Provincial Government to reduce its liabilities. Appeals were made for relief from the General Government, but the Bank of New South Wales, which was also interested in the account, had to petition the General Government before an agreement was reached that extinguished the debt by the end of 1868.

The board of directors complained that this advance "had been hung around their neck like a millstone" through Bathgate's mishandling of the matter, and knives were soon drawn for him in London. Probably he would have been asked to resign even if the rest of his business had been satisfactory. As it happened, the directors were forced to write off £2,000 in bad debts and carry a further £8,777 to a suspense account in the balance sheet of 1867. Not surprisingly, the Bank's shares were quoted at only 50%. The chairman, George Hay Donaldson, admitted the gravity of the situation, but reminded shareholders of "the noble way that Englishmen grapple with difficulties and overcome them". Not wishing to offend any of his Scottish shareholders, he acknowledged Bathgate's integrity and "high religious principle" and added: "The utmost that any man can say - and some have no doubt felt rather sore on the subject - is that Mr Bathgate has not been so successful as a bank manager as we could wish."

Another director, James Thompson, was despatched to New Zealand on a tour of inspection. It may have been through Thompson's investigations that shareholders became aware of Bathgate's private interests in some of his advances. It is not clear what these were, although Bathgate had a share in John Reid's Elderslie estate and he appears in the 1867 sheep return as the owner of 3,000

---

1 New Zealand Examin er, August 1866. "Southland Cuttings", pp. 147, 149.
2 AIHR, 1866, F-4, G-1.
3 New Zealand Examin er, August 1866.
4 New Zealand Examin er, 30 July 1867.
5 New Zealand Examin er, 30 July 1867.
6 New Zealand Examin er, 30 July 1867.
7 New Zealand Examin er, 30 July 1867.
sheep on a freehold property and run 24A.\footnote{Oamaru Times, 19 May 1868.} A.W. Morris was tipped as Bathgate's successor, but on his way home Thompson appointed William Larnach instead.\footnote{New Zealand Examiner, June 1867.} In this fashion - and apparently with some reluctance on Larnach's part - the business community of Otago acquired one of its most forceful and ambitious figures. Years later, Larnach recalled that he disliked his duties at the Bank of Otago and would have returned to Australia within a month if he had not been engaged for five years.\footnote{"Complimentary Dinner to The Hon. W.J.M. Larnach", given by Members of the House of Representatives representing mining constituencies, Larnach Papers, OESM.}

Larnach found the Bank's affairs to be even worse than previously imagined. He advised that the total amount of bad debts should be estimated at £49,000, almost a fifth of the paid up capital. A.L. Elder, the chairman, told shareholders that of this amount, £41,000 had entirely gone and the rest was very doubtful. The directors chose to increase the suspense account to this amount instead of writing down the capital. This was perhaps the wrong decision because the reduction of these losses stilled the profitability of the Bank during its remaining years.\footnote{A.B. Baxter, Banking in Australasia from a London Official's Point of View, p. 38.}

News of this setback was a disappointment to the shareholders, who had received little encouragement since the Bank began. But at least the new manager inspired confidence among some proprietors. One shareholder stated at the general meeting that he would have recommended a winding-up had Larnach not been the appointee: "In Mr Larnach they had an honest man, and the Bank would now have no more accounts in which its general manager was concerned."\footnote{New Zealand Examiner, August 1868.} With his usual self-assurance, Larnach had told Thompson that he "had not the slightest doubt of being able to build up a sound business, and retrieve the fortunes of the institution."\footnote{New Zealand Examiner, August 1868.} An appreciation of potential difficulties, however, was never one of Larnach's strengths in business.

**Banking in Otago in the 1870s** After the reverses of the 1860s, the Bank of Otago was left moribund and faced either liquidation or absorption by another institution. The bank clearly did insufficient business to warrant its continuation. While the Bank of Otago struggled to pay paltry and irregular dividends, the Bank...
of New Zealand divided its profits at a rate of 15% and 17%. At times, the coin reserve of the Bank of Otago slipped below the legal minimum level and it was unable to pay out cash in sums larger than £1,000. The collapse of the New Zealand Banking Corporation and the feeble state of the Bank of Otago were reminders of the business community's lack of control in its own banking affairs. After a decade of rapid economic growth, the initiative in finance remained with foreign banks and the Bank of New Zealand, the latter being regarded as having an Auckland orientation. The anxieties flowing from this state of affairs help to explain the initial enthusiasm in Otago for the new National Bank of New Zealand. When disillusionment with that concern set in, this groundswell of sentiment moved in the direction of a Dunedin-based concern, the Colonial Bank.

The sale of the Bank of Otago's assets had been proposed as early as 1869 when there were negotiations for a takeover by the English Scottish & Australian Chartered Bank. These came to nought, and late in 1872 the National Bank of New Zealand was formed in London to absorb the Bank of Otago and commence operations in this country. Proprietors of the old bank received £8 15s for each of their shares, on which £10 had been called. Those who had bought in the late 1860s, when Bank of Otago shares commanded only £4, were therefore quite satisfied with the result of the takeover. "Big" Clarke probably made a good speculation out of the 200 he purchased in 1869 (no doubt on Larnach's recommendation). Larnach later made out that only £13,000 out of £300,000 of advances were declined as being not worth twenty shillings in the pound.

The National Bank was governed from London. Half of its shareholders were resident in the colony and a third of the shares were held here. This was a higher proportion than the BNZ, most of whose proprietors lived outside New Zealand. Among the first directors were four former New Zealand residents: Sir Charles Clifford (a former speaker of the House of Representatives and a director of the Trust & Loan Company and later Robert Campbell & Co), Isaac Featherston (the Agent General and John Cargill's father-in-law), Sir Thomas Gore Browne and

1 G.Hawke, MS History of the National Bank, p. 3.
2 Ritchie to Cunningham Smith, 20 July 1867, p. 222; Ritchie to Russell, 8 June 1871, p. 106, Ritchie Papers.
4 Otago Guardian, 27 October 1874.
5 ODT, 26 June 1869.
6 Larnach to The Hon. H.J. Miller, 21 November 1881, Larnach Papers.
William Smellie Grahame, who had also been on the London board of the Bank of New Zealand. The chairman was Charles Magniac of Mathesons & Co, a firm possessing various trading links with New Zealand, including Cargills & Co, Russell Ritchie & Co and Matheson Brothers of Dunedin. The National Bank inherited a connection with the Otago & Southland Investment Company, but this was terminated in May 1874. A.W. Morris, manager of the company, was the Otago member on the short-lived New Zealand board of advice. The foundation provided by the absorption of the Bank of Otago's business meant that, while the National extended its operations throughout the country and had Wellington as its headquarters, its early activity was centred on the south and the thirteen branches and agencies of its predecessor.

Traditional rather than colonial notions of banking guided the directors of the National. They were apprehensive about New Zealand's prospects and expected a financial reaction after the cessation of Vogel's programme of borrowing. But to make progress quietly on sound principles and to avoid permanent loans on real property.

It is odd, then, that they should put their faith in Adam Burnes as inspector. Burnes had been in China and New Zealand with the Oriental Bank. He managed the Melbourne branch, then moved to the Union Bank and later the Colonial Bank of Australia. While in Victoria he happily encouraged the shift from London-style banking to the acceptance of unorthodox securities, and his management apparently resulted in some heavy losses for the Colonial. Burnes was said to have had the easy-going manners of a banker of the East and was "accustomed to flopping his eighteen stone on the couch after a lion sized lunch." Ritchie assessed him as "a very decent fellow" but "not the man for a Bank Inspector at all."

1 Stewart to Larkworthy, 2 December 1874; Taylor to Larkworthy, 28 December 1874, Larkworthy Papers.
Having hoped that the National would quickly become a leading institution, it pained him to find later that Burnes was "worse than useless" and "by no means teetotal".¹

Alarmed by the stagnant accounts and doubtful securities on their books, the London directors expected that Burnes would tighten up the Bank's activities in Otago. They soon found their confidence was misplaced. Burnes not only had more relaxed views on the principles of correct lending, but also very sanguine expectations of the future growth of the economy. Without authorisation, he established twenty-nine new branches and let the bank drift into an exposed position.² He was far from energetic in his inspections. After Larnach had dragged the corpulent frame of his superior around Southland and the Lakes, Burnes complained that his bile had got badly shaken up and refused to continue the tour to Timaru.³ Another serious failing was his weakness in dealing with Larnach. It is likely that Larnach, Tolmie and Burnes were acquaintances during their time in Victoria. Larnach may have known Burnes through the Clarke family, who played such an influential part in the affairs of the Colonial Bank of Australasia. There was certainly a close bond between the three, and Larnach's profligate management was allowed to continue unchecked.

Larnach's position at the National Bank had become precarious in the months leading up to his resignation at the end of 1873. Burnes, supported by Tolmie, attempted to redeem him in the eyes of his superiors and

Larnach was said to have "gutted" his office when he left the bank: "[h]e is dreadfully dishonest", opined Ritchie.⁶ The rumour was not without foundation.⁶

---

¹ Ritchie to Russell, 17 September 1874, p. 138, Ritchie Papers.
² Report of Shareholders Meeting, 6 August 1880, National Bank Archives.
⁴
⁵
⁶ Ritchie to Russell, 5 July 1875, p. 28, Ritchie Papers.
The Tokomairiro branch was another source of discomfort for the National directors. Here, they inherited from the Bank of Otago the managerial services of Larnach's brother, Albert. Albert Larnach's liberal advances were sweetened with promises of continuing support. He encouraged borrowing by parties who were manifestly unworthy of the risk and the bank suffered as a result of some heavy failures. William Dymock, who inspected the branch in 1876, thought its management by Albert and his successor had

Albert Larnach was transferred to the Port Chalmers branch where he wrought havoc on a similar scale. It seems he was dismissed from the National and that William Larnach found him a teller's position with the Colonial Bank of New Zealand. In 1876 Albert was detected embezzling money. Larnach was absent at the time and Walter Guthrie refunded the missing £1,200 so that the affair might be kept quiet. Albert then advertised his services as a commission agent but filed for bankruptcy in 1877, owing a debt of £1,000 to his brother against assets of only £100. He subsequently returned to Australia where he again found himself in trouble. William declined to help his brother and explained to a friend who had written on Albert's behalf that he had cost him thousands of pounds: "I long ago resolved never to go to his rescue again and - I never will."

Within a short period it became clear that the National was approaching a crisis. Burnes recommended calling up more share capital, but the directors thought this unrealistic and decided instead on a policy of retrenchment. They particularly wished to see a curb on the excesses of the former Bank of Otago staff. John Bridges was the man they entrusted with this task. He had twenty years' experience in Australia and represented the Bank of New Zealand at Picton and Wellington. Bridges left the Bank of New Zealand amid considerable bitterness. He was offered a senior position and large salary with the National; but was induced to decline this by Larkworthy, who promised him a seat on the London

---

1 Ritchie to Russell, 5 July 1875, p. 29, Ritchie Papers.
2 Ritchie to Russell, 9 December 1876, p. 155, Ritchie Papers.
3 Mercantile Gazette, 24 February 1877.
4 Larnach to Jerusalem Smith, 21 June 1882, Larnach Papers. Larnach evidently had similar trouble with his wife's brother, Richard Guise. Larnach to Richard Guise, 20 August 1881.
board of the Bank of New Zealand or some other employment in England that was "not incompatible with his dignity". Larkworthy then took steps either to remove Bridges or make it impossible for him to carry on. Bridges' behaviour as visiting inspector of the National deepened the hostility that had opened up between the BNZ and "creeping Judas" or "the old sinner", as his erstwhile colleagues described him.2

By all accounts, Bridges was a complex personality. He suffered badly from gout, which was hardly surprising given his well-known appetite for four square meals a day.3 The unfashionable cut of his clothes was also the subject of adverse remark.4 He was popular in Wellington, where he had made some successful land speculations.5 "He seems an old wife", wrote Ritchie, "but yet has correct ideas of pure banking and says he is determined to carry such out" - a most endearing attribute in Ritchie's eye.6 In a kinder mood, Ritchie later recorded Bridges' friendliness and reasonableness.7 Murdoch, however, denounced him as ill-tempered and unbalanced, and many of Dunedin's businessmen soon tended to the same opinion. Few people could appreciate the necessity for applying the screw when speculation was rampant and the province seemed so prosperous.

Bridges was pleased with the branches at Oamaru and Balclutha, but considered Milton and Port Chalmers a disgrace, and the state of the books at Dunedin filled him with horror. The bulk of the advances, he reported, were highly objectionable and contrary to the principles upon which the National Bank was established. In one or two cases, such as Hallenstein & Co and the National Insurance Co, he may have displayed a want of foresight by labelling accounts as undesirable and pressing for closure or reduction.8

By and large, however, there was ample evidence of reckless lending. The Bank had become involved with men it clearly should never have touched or whose failure in subsequent years vindicated Bridges' judgement.9 Securities had

---

1 Stewart to Larkworthy, 23 March 1875, Larkworthy Papers. See also New Zealand Herald, 11 October 1875.
2 D.L. Murdoch to Larkworthy, 30 September 1875, Larkworthy Papers.
3 Revans to Samuel Revans, 18 April 1864, Revans Papers, MS Papers 1516, Alexander Turnbull Library. Bruce Herald, 3 August 1875.
4 Bruce Herald, 3 August 1875.
5 Revans to Samuel Revans, 22 October 1864, Revans Papers.
6 Ritchie to Russell, 1 June 1875, p. 2, Ritchie Papers.
7 Ritchie to Russell, 5 July 1875, p. 28, Ritchie Papers.
8 Queenstown and Dunedin Inspection Reports, 1875, National Bank Archives.
9 Some of the clients falling into this category were James Copeland, Kincaid McQueen & Co, Matheson Brothers and Charles Coombs & Sons.
Ritchie saw the details of many of these accounts and doubted that Bridges could have taken a more lenient attitude.²

This was not all. Larnach had been the Dunedin attorney for H.A. Hankey, chairman of the New Zealand Banking Corporation and owner of the city gas works since 1871.³

² Ritchie to Russell, 29 July 1875, p. 35, Ritchie Papers.
³ An open or "clean" credit is a credit opened by a banker under which persons abroad may draw bills upon the banker, the banker undertaking to accept the bills if drawn in accordance with the conditions in the credit. It is called "clean" because the bills have no documents attached. Such a credit is granted only to firms of the highest standing or against securities.
⁴
⁵ K.C. MacDonald, Dunedin, A Century of Civic Enterprise, p.126.
Ritchie, who replaced Larnach as Hankey's attorney, unearthed evidence of more irregular dealings. Larnach had arranged to buy certain land from Cargills & Co, which Hankey held on perpetual lease as part of his gas works operation. The price was £300, but at the last minute Larnach requested that the land be conveyed to his friend William Kennedy, with whom he was "so mixed up" in many things. A few months later, Larnach bought back two acres on behalf of Hankey, but the price had risen to £775 an acre. E.B. Cargill was outraged when he heard of the transaction and called it an "infamous swindle". It hardly bore the appearance of a legitimate exchange. Larnach was also responsible for the payment of an unduly generous commission to Driver for the sale of some of Hankey's property.

Another questionable transaction was his purchase of Hankey's Woodhead estate after overruling the sale of the property to W.H. Reynolds.

The most that can be said about these issues is that Larnach was fortunate to escape prosecution. The National Bank decided nothing could be done to recover the 1% commission. Ritchie abandoned plans for legal proceedings after Hankey's lawyer began to doubt the chances of obtaining a jury verdict against Larnach. In spite of repeated applications, however, Larnach gave no satisfactory explanation for the apparent anomalies. Ritchie told him, "it is a thousand pities you had not avoided the possibility of other constructions being placed upon your actions."

During 1874 and 1875, as Bridges assiduously called up loans, the popularity of the National plummeted. Its share value dropped and accounts were steadily transferred to other institutions. Bridges' descent upon the Dunedin office caused "as much commotion as the intrusion of an eagle into the dove-cot." After Larnach's replacement, Alexander Bartleman, was sacked on grounds of incompetence, Ritchie wrote of "the great buzz around town... They say..."
accounts have been taken away already from the National. I am sure there will be a great exodus." Adam Burnes tendered his resignation, having found it impossible to continue under Bridges' guidance.2

In Bank of New Zealand circles the hope was expressed that Bridges would have a lengthy stay in the colony so that the damage to its rival would continue.3 With an eye to attacks on his bank's tenure of the government account, David Murdoch gleefully noted the political ramifications of the National's predicament:

I must congratulate them on their generalship. They could not have played better into our hands - first there was the dismissal of their local boards which I think secures us at least two if not three votes in the Assembly which we could not otherwise have reckoned on - now comes Burnes' statement that he is not without friends in Wellington who would have fought hard to get him a share of the government account but who I think now will rather approve of the idea of the account being left where it is. Had they only left their directors and Burnes as they were till after the Assembly they would have shown a far better fight than they are now likely to do.4

Meanwhile, Larnach was conducting his own campaign to diminish the standing of the National. It was said that Bridges wanted £30,000 trimmed off Guthrie & Larnach's £80,000 liability and an eventual reduction to £30,000.5 Larnach cast around for another bank and grumbled that he was being treated as if not an honest man:6

Larnach never loses a chance to run down the Bank which Bridges knows. It is like his recklessness seeing his existence depends on the Bank. I fear he is a stupid man for himself and will by & bye come to grief.7

1 Ritchie to Russell, 2 July 1875, p. 25, Ritchie Papers.
2 Murdoch to Larkworthy, 13 May 1875, Larkworthy Papers.
3 Tolhurst to Larkworthy, 1 July 1875, Larkworthy Papers.
4 Murdoch to Larkworthy, 13 May 1875, Larkworthy Papers.
6 Ritchie to Russell, 12 January 1875, p. 200, Ritchie Papers.
7 Ritchie to Russell, 1 June 1875, p. 3, Ritchie Papers.
An embittered Bartleman joined him in "blackguarding everything connected with the National." Ritchie warned his partner that adverse reports reaching London about Bridges' conduct were certain to have emanated from Larnach.

The tension was further heightened when Bridges' confidential reports about Driver, Tolmie and Larnach somehow found their way into the hands of these men. Larnach read his to Ritchie, who was privately amused to find that it was "certainly very hot." The source of the leak was at once apparent. The only person to have seen the reports before they were sent home was Larnach's friend, Adam Burnes.

The unpleasantness came to a head after Larnach finally transferred his business from the National Bank to the Bank of New Zealand in 1875. This removed the last restraint upon his eagerness to abuse Bridges and the National and he took full advantage of his new independence. Bridges, for his part, was very willing to express his thoughts about Larnach's character. The result was a sensational incident at the Dunedin Club, which Ritchie related with a certain glee:

[Bridges] spoke his opinion [of Larnach] at the Club to the manager (Bird) who went and told Larnach he laid a written complaint before the Committee. The matter was taken up & as Bird & Bridges gave different versions the Committee could do nothing. Then Bridges insisted on volunteering a statement that Larnach had been guilty of dishonorable conduct which he could prove, & this the Committee much against their will had to take down & recognise. They deliberated & wrote Bridges recommending him to leave the Club. & also wrote Larnach informing him of the charge & asking him to clear himself - Bridges had told them he was leaving the Club - but still they gave him this parting kick by this letter. of course it got all over town through Larnach & Bartleman that he had been kicked out of the Club & altogether, as I told Cargill who is President and McLaren who is vice, it is very discreditable to the Club. The other Members of the Committee are Murison, R.M. Robertson Howden - all Larnach men - But the best is that Larnach has never sent any answer to the direct & public charge of dishonorable conduct. The enclosed article from the D[aily] Times no doubt emanated from him. I know his style.

1 Ritchie to Russell, 29 July 1875, p. 34, Ritchie Papers.
2 Ritchie to Russell, 29 July 1875, p. 35, Ritchie Papers.
3 Ritchie to Russell, 29 July 1875, p. 36, Ritchie Papers.
4 Ritchie to Russell, 29 July 1875, p. 36, Ritchie Papers.
It is a most blackguard thing and has done more to turn popular feeling in favour of Bridges than anything else.1

Feeling ran "very high on the matter amongst the Upper Ten Thousand."2 At this stage two of Larnach's close friends, Murison and R.L. Stanford, owned about 36% of the ODT Company.3 Murison was the editor and Larnach a director. It seems likely, therefore, that Ritchie's suspicion about the origin of the anti-Bridges editorial was correct. The article itself made entertaining reading and its publication confirmed the paper's notoriety as a mere tool of its more influential shareholders:

It must suffice to put on record the ominous speed with which one of our banking corporations is going to the wall, and that this is chiefly due to the freaks of an eccentric individual who seems at least as ignorant of his proper business, as he is of the routine of banking in a colony, or the customs of honest men. To damage the reputation of business men by a series of malicious falsehoods, and underhand and cruel statements seems to be his delight. That he has escaped a thrashing is a miracle, and we should counsel him to beware of how he ventures to display his views amongst a less orderly and law-abiding community... There can be no doubt that steps will speedily be taken to remove this "old man of the sea" who has seated himself so firmly on the shoulders of the business community of Dunedin. We have been accustomed to regard a Bank as a bridge to carry commerce. There are bridges and bridges, however, and in [this] particular instance it is clear that a crash is imminent. We desire indignantly to repudiate the vile and untrue statements that have been freely circulated from the centre to which we refer concerning the commercial unsoundness of Dunedin.4

The Timaru Herald castigated the Daily Times for its abuse of editorial privilege, and Ritchie instigated "a little counterblast" in the Star.5 A month later, when the affair had begun to die down, he could not resist reminding readers of

---

1 Ritchie to Russell, 29 July 1875, pp. 34-35, Ritchie Papers.
2 The New Zealand Times quoted in Bruce Herald, 30 July 1875.
3 Company File 15, Hocken Library.
4 ODT, 27 July 1875.
5 Ritchie to Russell, 29 July 1875, p. 35, Ritchie Papers.
the Otago Guardian - anonymously of course - that Larnach had still made no attempt to refute Bridges’ charges against him.1

Bridges had indeed been "unfortunate enough to tread upon the corns of a member of a rather powerful clique in Dunedin."2 It was also regrettable that the bank he represented became involved in such controversies as had occurred in Dunedin, for it already had serious disadvantages to overcome. Its London management and largely foreign ownership were unpopular in New Zealand. The great profits made from goldbuying had dried up before it came into existence and it was forced to make business with a small capital at a time of severe competition. Rival institutions greeted its commencement, as they would the Colonial’s, by slashing their rates. There were only a few more years of prosperity before the onset of another depression, by which time the National had not made the progress that had been hoped for it.3

The Colonial Bank of New Zealand By the 1870s, there was a general sentiment that New Zealand was mature enough to possess its own business institutions. Profits derived from local commerce should be retained in the colony and should not go to line the pockets of overseas investors. The desire for a bank that was thoroughly colonial grew out of this current of opinion. Banks were a special case, for it had long been felt that the policies of the Australian banks had injured New Zealand commerce with credit fluctuations that did not necessarily reflect conditions in this country. It was hoped that a New Zealand bank would insulate local business from some of the sudden money shortages it had experienced. The ODT endorsed this viewpoint and suggested that foreign banks be compelled to employ capital in New Zealand equal to at least half of their New Zealand deposits.4

Discontent with the existing bank arrangements was strongest in Dunedin. Parochial feeling had a lot to do with this. The demise of the Bank of Otago left the self-proclaimed commercial capital without an institution it could look upon as its own; the National Bank had made its colonial headquarters in Wellington and was far from popular in the south. It would hardly do that the Auckland-centred Bank of New Zealand should, as the only New Zealand bank, be the sole beneficiary of

1 Otago Guardian, 15 October 1875.
2 Bruce Herald, 3 August 1875.
4 ODT, 6 June 1874.
colonial sympathies. Some Dunedin businessmen felt threatened by the expansion of the Bank of New Zealand into mercantile fields and resented its interference in politics. A genuinely colonial bank might counteract the Auckland influence and provide southern merchants with a means of "self defence".1

Proposals for a new bank had been aired in Dunedin at least as early as 1870.2 The movement gathered strength in 1873, and Larnach told Burnes in September that rumours of a local bank had been current for some time.3 Promoters of the scheme received a boost when the National joined a combination to raise rates. The prevailing lending charges of 3-5% were acknowledged to be too low, but the sudden leap to 7 and 8% caused, as Ritchie put it:

... an unpleasant wrench on one's financial arrangements which I have felt - all the more that the N.Z.L.&M.A. Co (Bank of NZ) adhere to old rates, if they cannot secure wool otherwise. The combination appears to me to be a slur upon the independence of NZ merchants.4

It is difficult to establish which individuals were primarily responsible for floating the Colonial Bank of New Zealand. The provisional directorate affords no clue as it contained most of the principal actors in business and politics in Otago. Mathew Holmes, Richard Oliver and Robert Wilson probably had a large hand in the matter. It was, at least, the latter two who approached Ritchie early in 1874.5 In 1888 Larnach informed shareholders of the bank, "I may almost say that I originally drew up its prospectus and laid its foundation stone."6

The Bank was launched with great enthusiasm. Deputations waited upon shareholders to request deposits and the transfer of accounts.7 Holmes, Tolmie, Cutten and J.T.T. Boyd made trips to the other provinces to solicit support.8 The

---

2 Evening Star, 9 April 1870.
3 "I think the reason it has not yet uttered a cry is because it has had too many unskilled directors attending the infant - There were two sets each willing to take the initiative in launching the concern and neither party, so far as I could learn, had fixed upon a good helmsman. I had nothing to do with it nor would I although I believe my name was freely mentioned." Larnach to Adam Burnes, 26 September 1873, Larnach Papers.
4 Ritchie to Walter Turnbull, 2 May 1874, p. 251, Ritchie Papers.
5 Ritchie to Russell, 14 April 1874, p. 58, Ritchie Papers.
6 ODT, 18 April 1883.
7 John Locke to Larkworthy, 21 December 1874, Larkworthy Papers.
8 Ritchie to Russell, 30 May 1874, p. 74, Ritchie Papers.
**ODT** caught the mood of local feeling and inveighed against the Wellington and Auckland management of the other New Zealand banks:

> It is a disgrace and degradation to the wealthy men of New Zealand to be kept in leading strings, waiting upon the decision of gentlemen ruralising in some petty village or decaying township in the North.¹

Both the National and BNZ reduced rates to restrict their new rival.² The National responded foolishly by instructing Burnes to request all customers who were interested in the Colonial to withdraw their accounts, although it is unlikely that this command was obeyed.³ The new bank attracted many small investors. By 1875 it had ten times as many shareholders as the Bank of New Zealand.⁴

Some large accounts soon came to the Colonial: Brown Ewing & Co, Robert Wilson, John Reid of Elderslie, A. Lee Smith of Royse Stead & Co, Joseph Clarke, G.F. Reid, Cargills & Co, the Otago & Southland Investment Company and the Harbour Board.⁵ Already at odds with his senior partners, Charles Nichols brought further trouble upon himself by transferring the Dunedin account of Dalgety & Co to the Colonial. Dalgety, of course, was a staunch friend of the Union Bank.⁶ Many of the new customers were former clients of the Union Bank and the Bank of New South Wales. All of the accounts leaving the National in the wake of Bridges’ purge went to the Colonial, and Murdoch expected to lose £50,000 of advances within a month of the new bank’s starting, "but we can well spare them."⁷

In time, the Colonial acquired more of Dunedin’s larger businesses. A number of accounts could not be accepted immediately because the resources of the young bank were as yet too small to accommodate their borrowing. Sargoods, Herbert Haynes & Co and the Union Steam Ship Company fell into this category.⁸ It was thought to be only a question of time before the Teschemakers left the BNZ

---

¹ Quoted in *Hawke’s Bay Herald*, 12 May 1874.
² Ritchie to Russell, 1 August 1874, p. 118, Ritchie Papers.
³ Ritchie to Russell, 17 November 1874, p. 171, Ritchie Papers.
⁴ ODT, 7 July 1875.
⁵ W.C. Roberts to Larkworthy, 20 September 1874, Larkworthy Papers.
⁶ G. Rees, "Dalgety: The History of a Merchant House", p. 100. Dalgety called this move "an unprovoked and ungracious act of hostility to an institution that we have worked with satisfactorily for 30 years, and with which so many members of the firm have been intimately and conspicuously connected."
⁸ Ritchie to Russell, 22 December 1874, p. 192; 21 July 1876, p. 81, Ritchie Papers.
for the Colonial. Heymanson & Low was another firm poised to defect. R.A. Low was a close friend of the Colonial's manager, and Heymanson was "swearing hurricanes at the Bank of NZ".

Tolmie and Larnach made strong efforts to get their friend, Adam Burnes, placed in control of the Colonial Bank. Ritchie was aghast at this news. With his knowledge of Larnach's dealings with Bridges and Hankey, he was driven to conclude, "there has been an amount of circumstantial evidence of blackguardism & villainous log rolling which is horrible." He informed Russell that if the tendency of the new bank was "too much in the Larnach direction" he would consider selling their shares at par. It came as some relief when Beal informed him that the bid to have Burnes appointed had quite failed. "It was Tolmie & Larnach & already Beal acknowledges that they are both bad, especially the former."

Through the Colonial Bank, the Otago business community projected an image of co-operation and unity. Most of the Bank's public meetings passed off peacefully. Year after year the directors were chosen from a small circle of men, usually without competition. The government of the Bank, however, could not remain immune from the conflicts and suspicions that existed in the world of business without.

The honour of being a founding director produced a scramble for seats at the board, which was not repeated in later years. Fifteen men were nominated. Larnach's popularity ensured him a place. Men like A.W. Morris were happy to see him a director "with one or two others to hold him back... he requires a great drag." Larnach was particularly civil towards Ritchie at this time, apparently for fear of legal action over the Hankey business. Ritchie accepted his invitation to be nominated for the directorate: "I want to watch him for he is a most dangerous man."

One of the problems of a local bank like the Colonial was that business clients did not like their affairs subjected to the scrutiny of directors who were their

1 Murdoch to Larkworthy, 27 June 1875, Larkworthy Papers.
2 Ritchie to Russell, 22 December 1874, p. 192, Ritchie Papers.
3 Ritchie to Russell, 29 July 1875, p. 36, Ritchie Papers.
4 Ritchie to Russell, 2 July 1875, p. 22, Ritchie Papers.
5 Ritchie to Russell, 5 July 1875, p. 28, Ritchie Papers.
6 QQL1 October 1874.
7 Ritchie to Russell, 24 August 1874, p. 129, Ritchie Papers.
8 Ritchie to Russell, 29 July 1875, p. 36, Ritchie Papers.
competitors. An agitation was got up against mercantile men, which prevented Cargill, Ritchie and others from winning places on the first board. This resulted in the election of a directorate that included few men with the acumen or inclination to counteract Larnach's persuasiveness. Within a short time, Cargill was receiving hints from as far away as James Galbraith in Glasgow about the harmful influence Larnach was thought to exert over the Colonial. In 1876 Ritchie wrote, "I wish he was out of it". He was pleased to learn that Hugh MacNeil intended to stand for the board: "I have no doubt he [MacNeil] will get in. He will be another check on W.J.M.L [Larnach]." But Larnach sent out his travellers to obtain proxies and "spent a lot of money" to secure the election of a more pliant man, A.W. Morris. This sort of manoeuvring between the pro- and anti-Larnach camps seems to have continued for a number years. In 1880, for example, Richard Oliver and Cowie, the general manager, were putting pressure on Ritchie to have George Gray Russell run against Larnach.

As the initial flush of local pride in the Colonial subsided, more analytical minds began to criticise the Bank's performance. The business and deposits of the Bank had grown remarkably, but its earnings lagged. James Rattray told Ritchie that the small profits were attributable to:

... too much Larnachism. Launching out. He says "after seeing behind the scenes", he is impressed more than before with the desirability of an amalgamation with the National. Chiefly or solely with a view to a strong London Board.

Talk of a merger began early and lasted until at least 1881. Cargill was much in favour of a union with the National, his argument being that both institutions were weakened by a lack of representation either in London or the colony, and returns to shareholders would be improved if competition between the banks was eliminated. Ritchie agreed that amalgamation would be highly desirable. As well

---

1 Otago Guardian, 26 September 1874. Ritchie complained: "Cargill and I were nowhere. They will not have merchants (except Larnach)." Ritchie to Russell, 23 October 1874, p. 160, Ritchie Papers.
2 Ritchie to Russell, 3 July 1876, p. 75, Ritchie Papers.
3 Ritchie to Russell, 3 July 1876, p. 75, Ritchie Papers.
4 Ritchie to Russell, 3 July 1876, p. 75, Ritchie Papers.
5 Ritchie to Russell, 29 July 1876, p. 88, Ritchie Papers.
7 See, for example, Hugh MacNeil's speech at the general meeting of the bank. ODT, 27 January 1876.
8 Ritchie to Russell, 21 July 1876, p. 80, Ritchie Papers.
9 ODT, 27 January 1881.
as the financial advantages of this step, he might have hoped that stiffer opposition to the Bank of New Zealand would then be possible. The wisdom of combining the two banks was confirmed by their subsequent histories, but Larnach's presence on the board of the Colonial was a significant obstacle to achieving this.\(^1\)

**Mortgage Companies** During the period 1870-90, mortgage lending in Otago was characterised by the inward flow of large sums raised on the British debenture market. The broad dynamics of this exporting of funds are outlined in Arnold's study of borrowing in nineteenth-century New Zealand.\(^2\) It appears that Canterbury and Otago were the major destinations for this capital. From 1873 to 1881, when mortgage figures were published in the *Statistics of New Zealand*, these provinces generally recorded the highest levels of borrowing. Otago had a comparatively high rate of institutional lending during the later nineteenth century, being viewed as a particularly attractive field for investment companies exploiting the margin between interest on British debentures and colonial mortgage rates.\(^3\)

The concentration of these companies on the south of New Zealand was partly a reflection of the advancement of its agricultural economy. It may also have resulted from the ties between Scotland and that part of the country. The Scottish debenture market was the main source of finance for mortgage companies operating in New Zealand. In Scotland, mortgages were regarded as a more satisfactory investment than in England, where they were not acceptable for the deployment of trust funds.\(^4\)

There can be little question that one effect of this trend was the serious over-inflation of land values in the South Island. The speculative landbuying of the 1870s could not have reached such extreme heights had the banks and loan companies been more cautious about sinking their borrowed funds into landed securities. During the 1880s, the inability of many estates to pay interest on the capital invested in them revealed the imprudence of this liberality. The legacy of the high debt to equity ratio placed great strain on parties who had borrowed large sums on their properties. Increasingly, the large loan companies found their funds were locked up in unprofitable investments. Dividends dried up and considerable

---

1. W.C. Roberts to Larkworthy, 8 May 1875, Larkworthy Papers.
3. See Appendix 17, Volume Two.
sums were written off. Most of these concerns were either wound up or radically reconstructed towards the end of the century. Their performance serves as a useful barometer of the rural economy of Otago. During the 1870s, however, the business community rode high owing to the abundance of what seemed then to be cheap capital.

It is possible to identify at least seven major loan companies operating in Otago in this period. The largest of these, the New Zealand Loan & Mortgage Agency Company, was formed in London in 1865.1 In Dunedin, it was represented by an agency under the manager of the BNZ, until Henry Driver was placed in charge of a branch in 1874. His activities in this capacity are discussed elsewhere. The Otago & Southland Investment Company was formed at the same time as the Bank of Otago and shared the same directors - men whom Larnach disparaged as "esteemed and plump guinea pigs".2 Throughout most of its existence the Investment Company was managed by A.W. Morris in conjunction with a board of advice whose members at various times included E.B. Cargill, W.H. Reynolds, W.H. Cutten, Thomas Dick and, inevitably, William Larnach. In 1875 Ritchie was moved to write: "If Larnach retains a scat on the Board here, he will sway things, & they had better look out."3

New Zealand securities continued to hold a strong appeal for Scottish investors in the years prior to the City of Glasgow Bank failure in 1878. Further evidence of this is supplied by the formation of the Scottish & New Zealand Investment Company in 1877 and the Colonial Investment & Agency Company in 1878. These were both Edinburgh concerns, although most of the shares would eventually be held in New Zealand.4 The Scottish & New Zealand Company concentrated on Southland, while the Colonial Investment Company, which appears to have had some affiliation with the Colonial Bank, operated throughout the South Island.5

Scottish capital also found its way into Otago by means of the New Zealand Scotch Trust and the Scottish Widows Fund & Life Assurance Society. The former

1 R.C.J. Stone, Makers of Fortune, p. 23.
2 Larnach to Adam Burnes, 9 October 1873, Larnach Papers.
3 Ritchie to Russell, 1 June 1875, p. 6, Ritchie Papers.
4 Company files of the Colonial Investment Company (BT2/836) and the Scottish & New Zealand Company (BT2/756), Scottish Record Office.
5 See Ritchie to Russell, 9 July 1877, p. 270, Ritchie Papers, on the prospects of such companies. The local board of the Colonial Investment and Agency Company was made up of John Reid (of Corner Bush), A.C. Begg, Alexander Bartleman and James Chapman Smith. R. Dobson, "To the Shareholders of the Colonial Investment & Agency Company: A Reply", Dunedin, 1892.
Part One, Chapter Two

concern was the incorporation of a small syndicate of London and Scottish capitalists. It operated from 1865-1887 and appears to have had at one time a nominal capital of £200,000.1 John Bathgate acted as its New Zealand attorney. The Widows Fund had comparatively little money invested in Otago, although it possibly had more in Southland. A loan of £15,000 to Begg brothers in 1887 seems to have been one of its biggest mortgages.2

Bathgate features again as the promoter of yet another investment company, the New Zealand Mortgage & Investment Association, which was formed in 1880. After some difficulties, he was successful in floating the venture, but his mission was criticised in The Times as unbecoming for a man holding judicial office, and there were calls in New Zealand for his resignation from the bench.3 One of the main reasons the company was formed was to buy certain properties in Otago whose owners were heavily weighted with debt or nervous about the sluggish market for land. Bathgate had earlier been associated with one of these estates, John Reid's "Elderslie", which was thought by some to be much over-valued in the prospectus.4 George Turnbull, Robert Hay, Bathgate and his son-in-law, Edward Melland, comprised the Dunedin board. The London directors looked well on the prospectus but were regarded as second rate by John Sanderson.5

Dunedin interests were also represented on the board of the Land & Loan Company of New Zealand, which was registered in 1884. Its nominal capital was £1m and the directors and their friends undertook to buy 44,000 of the 200,000 shares. The main object of the company was the purchase of partly developed properties.6 The general manager in Napier was an Otago runholder, Francis Crossley Fulton, a man for whom Ritchie had little affection. When the company was announced, Ritchie wrote to W.S. Davidson: "I hope to goodness you did not let Frank Fulton come round you at all. Ask anyone here, & you will learn that he is next door to a scamp & utterly untrustworthy - this of course is 'privileged'."7

---

1 BT 2/212, Scottish Records Office.
2 Deeds 90/30, 83/886.
3 Parliamentary Debates, 8 June 1880, p. 103.
4 Tom Roberts to John Roberts, 19 November 1879, 625/10, Roberts Papers.
6 The Times, 26 March 1884.
7 Ritchie to W.S. Davidson, 14 February 1884, p. 96, Ritchie Papers.
Through the presence of James Alexander on the board of this concern, the firm of Redfern Alexander & Co acquired a further link with New Zealand affairs.

Although heralded in the press as indicating the soundness of colonial investments, the advent of these large loan and agency companies was not unreservedly welcomed by the commercial community. Companies acquiring funds in the London market paid interest rates that were around half of those charged to merchants who borrowed locally. "Against this", Robert Wilson argued "no private enterprise can compete". The middlemen and small partnerships, which had been so much a feature of Otago's early business history, were now being visibly squeezed out. The evil of this development, as Wilson saw it, was that profits were not re-invested in the colony, "but go to support a class of absentees whose only interest in the colony are the dividends they are receiving from it." 3

Cheap borrowing and high colonial interest rates were the key to the economics of these investment companies. By keeping the paid up capital small and obtaining most of the required finance by debentures, it was possible to pay very high dividends.4 Thomas Roberts calculated in 1877 that a company of £100,000 with £50,000 called up would yield annual profits of 10%, but, if only £20,000 were called, the return would be nearer 20%.5 The dependence of such companies upon the debenture market may be demonstrated by the position of Australasian finance houses in 1884.6

The British directors of these banks and finance companies often had connections with firms operating in New Zealand. As Appendix 5 suggests, some of these foreign interests were directly or indirectly represented on the boards of several of the more important financial institutions. With a few exceptions, notably John Bathgate, the Dunedin businessmen who enjoyed the best access to this influential group of British capitalists were members of the "inner circle". They were also able to control managerial policy in more direct ways. In practice,

1 ODT, 25 September 1884.
2 ODT, 25 September 1884.
3 M. Arnold, "The Market for Finance in Late Nineteenth Century New Zealand", p. 66, suggests that these debentures created a charge over the assets of the companies. Baxter, however, asserts that they did not. A.B. Baxter, Banking in Australasia from a London Official's Point of View, p. 81.
4 Thomas Roberts to John Roberts, undated (ca 1877), 625/6, Roberts Papers.
5 See Appendix 18, Volume Two.
the investment decisions of mortgage companies were often determined by the advice of local boards on which the "inner circle" usually had some representation. Bank managers, moreover, were notoriously resistant to discipline from their head offices and susceptible to the influence of the businessmen with whom they mixed. Most of the foreign banks operating in Otago had problems arising from the disobedience of their Dunedin managers. Two members of the "inner circle", Driver and Neill, actually formed partnerships with managers who had been removed for becoming too closely involved with them.

In terms of the amount of overseas capital available for borrowing in the south, the position of the Dunedin financial community might seem to compare very favourably with that of its Auckland counterpart. This, however, reveals only part of the picture. Otago was certainly slower to develop financial institutions with which it could readily identify. The BNZ and New Zealand Insurance Company were launched in 1859 and 1861 respectively. The incorporation of the NZLMA Co in 1865 thus completed a trio of companies, which, though drawing heavily upon outside capital, was in reality controlled by Auckland directors selected from a small pool of businessmen. Although the BNZ and the Loan Company invested heavily in Auckland enterprises, their influence was by no means confined to that province. The BNZ soon acquired the government account and the largest share of the banking business of the colony. Its close relative, the Loan Company, became one of the largest wool firms in the world and a major lender in its own right. The interests of both concerns were sufficiently widespread to insulate them from economic fluctuations peculiar to any one part of the country.

Otago had no comparable institutions until the mid-1870s. National Insurance, Dunedin's rival to the Auckland-based New Zealand Insurance Company, was not formed until 1874. The large profits made from goldbuying during the early 1860s were captured not by a local bank, but by Australian corporations, and most of all by the BNZ. The Bank of Otago and the New Zealand Banking Corporation were too late in the field to make any headway.

1 Although the NZLMA Co was governed from London, the local Auckland board exerted a large measure of control in the management of the company's affairs in the colony and acted with a considerable degree of independence. R.C.J. Stone, Makers of Fortune, p. 24.
2 R.C.J. Stone, Makers of Fortune, pp. 20, 22.
3 R.C.J. Stone, Makers of Fortune, p. 23.
4 R.C.J. Stone, Makers of Fortune, p. 22.
5 R.C.J. Stone, Makers of Fortune, p. 21.
before the onset of the depression. Had its management been more attuned to local feeling and had its colonial head office been located in Dunedin, the National might have attracted the loyalty of Otago businessmen to a far greater extent. Its failings in this respect encouraged the formation of a purely local bank, the Colonial, which further fragmented the division of banking business in the south.

The pattern was similar in the sphere of mortgage lending and its associated mercantile activities. In the early 1870s this combined business was still largely carried by the private stock and station firms. There was no single company with large powers of overseas borrowing that could exert such dominance in the market as had the NZLMACo elsewhere (and as it hoped to do in Otago). Although Otago was a most important part of the national economy, unlike Auckland it did not possess from an early date large companies whose operations extended throughout the colony and whose directorates were interlocked to a considerable degree. Otago's delay in producing its own institutions put it at a disadvantage in another respect. The Auckland "limited circle" had long been accustomed to furthering its interests through intervention in politics. Its success in this aspect of competition gave it an edge that Otago was never able to match.

Stone writes of the "monolithic Auckland directorate" of the Bank of New Zealand and it would seem from his account that, viewed as a whole, the "limited circle" remained a tight-knit body until its demise. It might be suggested that this portrayal reflects the nature of the sources available to Stone, which appear to be less informative about the private history of this group than those pertaining to the Dunedin business community. Whether or not that is so, it is plain that the men who controlled the banking and finance sector in Otago were a fractious set. The divisions within this group were not without wider significance. They affected the management of some of the largest companies in the Province and they are fundamental to an understanding of the experience of the business community in this decade.

The sphere of banking and finance was a forum in which these conflicts were early manifested. Much of the tension centred upon William Lamach. Although a relatively new arrival, he had quickly established himself as the dominant figure in Otago business and was regarded by some as the strongest director on the board.

---

1 The Otago & Southland Investment Company was purely a lending organisation and the impact of the other foreign loan companies concentrating on the Southland was yet to be felt at this date.

of the Colonial.\(^1\) He gathered about him a circle of influential friends and thus entrenches his position. But the admiration of an important section of the business community was tempered by doubts about Larnach's speculative disposition, not to mention his scruples. Powerful men like Ritchie, Roberts and E.B. Cargill regarded him as a colleague and equal, yet harboured a certain coolness towards him. As Larnach became involved with the BNZ and later the New Zealand Agricultural Company, this feeling hardened into barely concealed hostility.

The Stock and Station Business

Because of its large capital requirements and the usually high social status of wool producers, the wool trade became a prestigious class of business in the Australasian colonies. A number of firms attempted to gain a foothold in this market during the 1860s, but by the end of the decade the trade was mainly in the hands of six partnerships: Cargills & Co, Dalgety & Co, Russell Ritchie & Co, Murray Roberts & Co, Driver MacLean & Co and Wright Stephenson & Co. Three other firms - Power Pantlin & Co, McLaren Renshaw & Co and Gibbs Bright & Co - were also active at this time, but soon dropped out of the field.\(^2\)

The operation of these firms, or squatting agents as they were often termed, generally followed a pattern that had already evolved in Australia. A small amount of the wool produced in Otago was sold locally before export. These sales realised lower prices but more immediate returns. It was reported that most of the buyers were merchants who acquired the wool for remittance purposes, to place funds in London.\(^3\)

The more usual practice was to ship wool to London through an agent who consigned on commission to an associated mercantile house. As in the case of Dalgety, Cargills & Co and Russell Ritchie & Co, the local agent might also act for one or two of the shipping companies in the home trade. Squatting agents often coupled their wool business with importing, indenting and the sale of stock on commission. Some, like Driver MacLean & Co and Wright Stephenson & Co,

\(^1\) W.C. Roberts to Larkworthy, October 1875, Vol. 3, p. 139, Larkworthy Papers.

\(^2\) Among the smaller firms operating in the 1860s were Royse Mudie & Co, R.B. Martin & Co and Morse & Orbell. Douglas & Alderson had been one of the major firms in the mid-1860s, but ceased trading in the next decade.

\(^3\) Lake Wakatip Mail, 24 January 1866.
moved into the wool trade after first establishing themselves as auctioneers and stock salesmen.

To attract wool consignments, it was usually necessary to provide some credit facility to the grower, owing to the long delay before he received a return on his annual crop. Ideally this credit was limited to supplying stores and cashing station orders to cover expenses, the accounts being squared at the end of each year. With more reluctance, an agent might make an advance at the start of a season, which would be secured by a wool lien. It was essential to preserve a high degree of liquidity by keeping advances low in relation to the value of the commission and exchange business. In this way, the stock and station agents came to perform what was really a banking service for many of their clients. At Timaru, for example, the National Bank inspector reported that,

This was a highly competitive business requiring sizeable capital to retain a stable and remunerative clientele. With the increase in the capital requirements of wool production, squatting agents were driven to make bigger and more permanent advances, to be written off year by year out of the profits of the clip. The risks to the lender therefore increased, as did the need for a larger capital to accommodate slow debts. The provision of mortgage finance thus became an important function of the stock and station agent, a trend that helped drive out many of the smaller firms.

The lending activities of the wool firms had been facilitated by the traditional reluctance of banks to make loans on the kinds of security that woolgrowers could offer. The orthodox school of banking, represented by such writers as Gilbart and McLeod, emphasised the uncertain tenure of a bank's funds. It held that banks should only accept trade bills and certain categories of liquid securities that could

---

1 During the years when very low wool prices prevailed, notably 1869-70 and 1876, the sources speak of "reclamations" from woolgrowers. This apparently refers to cases in which producers had made insufficient gross profit from their clip to repay the seasonal expenses due to their agents.

2 Ritchie to Tom Gray, 5 February 1866, p. 58, Ritchie Papers.

3 __
be immediately realised during periods of financial stringency. When loans were made on securities that could not be so readily liquidated and were subject to long-term fluctuations in value, the intervention of a middle party was required, the bank accepting the bills of that party according to the credit for which it was thought to be good.¹

This view was challenged in Australia. Lending through middlemen, usually merchants, increased the already high cost of credit. Moreover, it was difficult for banks to employ their funds in trade bills in small economies that were agricultural and pastoral rather than industrial and commercial. In the pastoral colonies the demand was for long-term accommodation, and the real securities for such advances were ultimately wool and land.

Older Australian banks often possessed charters expressly forbidding them from accepting such unconventional securities. In New Zealand, the incorporating documents were usually more loosely drawn and specifically prohibited only speculation in real property. Direct lending on land and wool liens could therefore be engaged in without resorting to spurious legal devices. This latitude was freely exploited by New Zealand bankers, most of whom had gained their experience in Australia or the East. The Bank of New Zealand was especially noted for its departure from traditional banking business.

Although some commentators saw long-term mortgage lending by banks as a fait accompli, the issue remained alive in Otago. As late as the annual meeting of the Colonial Bank in 1881, George McLean referred to it as "a new feature in banking, and one which some shareholders would regard with favour, and others would think it altogether against banking business.² The ramifications of the trend towards "dead" loans were felt during the banking crises later in the decade. Some consequences of the acceptance of unorthodox securities were more immediately felt in Otago. It was a small step from securing an advance by a wool lien to taking the consignment of a clip and arranging its sale in London or Melbourne. This practice aroused much discontent among Otago merchants, although it is worth remembering that in the early 1880s Dalgety, the AMLFCo

² ODT, 28 July 1881.
and the NZLMACo each imported about as much wool as all the Australasian banks combined.¹

When a bank had close relations with a loan and agency company, there was a temptation to use bank accommodation as an inducement to secure commission and other business for the associated company. The Bank of New Zealand was the institution most often accused of this tactic. Merchants complained that, in this way, banks were exceeding the traditional boundaries of their legitimate sphere and competing with their mercantile clients. The philosophical debate over the appropriate function of the banking sector was therefore commonly traversed in Otago because private merchants found the conservative view a convenient weapon against the encroachments of larger corporations. One correspondent in the local press claimed that only one third of the banking business done in New Zealand was in accordance with the precepts of the orthodox school.²

The need to compete with banks and loan companies put pressure on the larger wool firms to incorporate or amalgamate. Incorporation removed the onerous liabilities of the law of partnership and introduced the capital necessary to enable the borrowing of cheap funds on the debenture market. Between 1878 and 1884, Dalgety & Co, Russell Ritchie & Co and Cargills & Co all took this step. The Roberts family toyed with the idea of establishing a loan company in New Zealand, but the plan failed for lack of interest from other monied men.³ The assets and goodwill of Russell Ritchie & Co were sold to the National Mortgage & Agency Company (NMACo) for £45,000, the new concern having an authorised capital of £500,000. The bulk of the NMACo shares was held in Britain, but Russell and Ritchie, as joint general managers of the company, retained a large measure of control. The board of directors reflected the company’s links with the National Bank and the shipping connections of the old firm.⁴

It was initially intended that the NMACo would work in concert with the National Bank, although perhaps not to the extent of emulating the relationship between the BNZ and the NZLMACo. Ritchie had already conceived a dislike of

---

² Qill, 23 November 1881.
³ Thomas Roberts to John Roberts, undated (ca 1877), 625/6, Roberts Papers. John Sanderson, however, joined the first board of the Mortgage Company of Australia & New Zealand. This company started with a paid up capital of £200,000, but its New Zealand activities were mainly in Canterbury. The directors were also on the boards of either the Union Bank or the Bank of Australasia. John Sanderson to Roberts, 29 September 1879, 625/10, Roberts Papers. Thomas Roberts to John Roberts, 16 December 1879, 625/10, Roberts Papers.
the conduct of the National's management and set about undermining the alliance. He asserted in 1879 that there was "something unfortunate" about all the Company's transactions with the bank.\(^1\) The suggestion that the two ventures were "married" prompted him to retort, "I shall ever pray for a divorce."\(^2\) His reluctance to co-operate with the bank, especially in exchange dealings in London, caused friction with senior officials of the National.

Ritchie hinted in 1879 that the original understanding with the bank had not been carried through. By 1884 he would write that the company's connection with the National "had for some years practically amounted to nothing".\(^4\)

Cargills & Co appears to have been under some urgency to dispose of their business to a company - a symptom, perhaps, of an already decaying concern.\(^5\) Having lost to Russell Ritchie & Co in their bid to sell out to the NMA Company, Joachim and John Cargill immediately offered their business to the NZLMACo. Had it come off, the transaction would have involved a sum of £250,000 and the annual consignment of 10-12,000 bales of wool.\(^6\) There was thought to be a real chance of agreement, but E.B. Cargill, then absent, possibly thought ill of doing a deal with the Loan Company, for the matter went no further. Cargill Gibbs & Co continued as before, with material assistance from the AMLFCo, until 1881. At the end of that year, the British & New Zealand Mortgage & Agency Company was formed to take over the firm.

The British & New Zealand Company was constructed along similar lines to the NMA Company. Its nominal capital was £600,000 of which £403,000 of stock was subscribed and paid up to the extent of £80,000. Therefore, like most of the big loan companies of this era, the British & New Zealand borrowed heavily on the strength of its large uncalled capital. While this allowed larger profits to be paid on the capital actually employed, the advantage to the shareholders proved illusory in the final reckoning. A generous sum of £60,000 was paid for the goodwill of Cargill Gibbs & Co.\(^7\) Most of the shareholders were Scottish.

---

1. Ritchie to Grenfell, 29 November 1879, p. 24, Ritchie Papers.
2. Ritchie to Galbraith, 6 April 1880, p. 115, Ritchie Papers.
6. NZLMACo Minutes, 3 February 1878.
significant number were London men, but very few shareholders resided in New Zealand. It was reported that most of the shares were taken up by friends of the directors, no person possessing more than 1,500.1

The directorate of the British & New Zealand Company contained representatives of the Cargills' old allies in the home shipping trade. Nathaniel Levin's presence on the board perpetuated the long-standing connection between Redfern Alexander & Co and the Cargill family. Gibbs managed the Company in London while Joachim took charge of its affairs in Dunedin. E.B. Cargill was the chairman of the local board.

Incorporation was a step that F.G. Dalgety resisted for some time. A prospectus was eventually issued in 1884 for a company with a nominal capital of £4m. All the Australasian partnerships were taken over, although there had been some doubt as to whether the New Zealand business should be included (the profits from this quarter had dried up after the death of Nichols).2 Dalgety was naturally a founding director, with E.T. Doxat and two other partners from the old firm, F.A. and S.J. Du Croz.3

Dalgety & Co became associated with the incorporation of another major Otago business, Robert Campbell & Sons. The Campbells' South Island properties, Otekaike, Station Peak, Galloway, Burwood and Benmore, were sold to a company bearing the family name in 1881.4 Friendly relations had long existed between Dalgety and Robert Campbell senior, and this bond was expressed through the appointment as director of Sir Charles Clifford, one of Dalgety's colleagues on the board of the New Zealand Trust & Loan Company. The nominal capital of the company was set at £600,000 and its ownership seems to have been retained in few hands, with the Campbell family probably holding 50% of the shares.5

The colonial management of this company was entrusted to Miles & Co of Canterbury and to Alexander Campbell Begg. For some years prior to the incorporation, Begg had ably and almost single-handedly conducted the affairs of the family firm in New Zealand, chiefly because Robert Campbell junior had

---

3 September 1885 and 11 September 1885, pp. 71, 75, Dunedin Manager's outward letters, ANZ Archives.
4 Oroua Downs was excluded from the transaction and ownership of this estate was shared between Robert Campbell junior and his brother. In 1881 John Bathgate accused Robert Campbell of taking £50,000 a year out of the colony but this can only have been a guess at the profitability of the firm. ODT, 19 November 1881.
5 ODT, 12 August 1881.
become incapable of paying close attention to the business. Ritchie observed that he was "going to the dogs with drink". On one visit to town in 1878, he was drunk every day for a week and had to go to bed at five p.m. at the Club.

The wool trade was in many ways the backbone of commercial activity in Otago. It ultimately produced some of the richest men of the Province, and a majority of the "inner circle" were either directly or indirectly involved in it. More than any other group, the wool merchants stand out because of their high political profile and their multifarious business interests spanning shipping, banking and finance, importing and the press. In his reminiscences of the 1870s, Scott echoed the contemporary perception of their influence with his nostalgic remark: "They were good days those, when E.B. Cargill and John Roberts were powers in the land."

Shipping

The Home Trade In an age when wool exports dominated the revenue statistics, and when provincial governments and central government placed a high priority on encouraging immigration, the shipping trade assumed great significance in the local economy of Otago. This was a volatile industry, involving a high level of risk and capital investment, but with the potential for large profits. The traffic between Britain and New Zealand was dominated by Shaw Savill & Co. Until the advent of the New Zealand Shipping Company in 1873, this firm possessed a virtual monopoly. Having established itself while the volume of traffic was small, Shaw Savill grew strong during the great economic expansion of the 1860s. Its profits were thought to be enormous. Vogel suspected that the firm reaped 50% from some of their charters. There were allegations that Shaw Savill injured the commerce of New Zealand by obliging merchants to accept transport costs much higher than those charged in the Australian colonies. Because of its dominance, SS&Co was able to dictate rates of freight and terms of loading. It acquired an unenviable reputation for shiftiness and arrogance, which was never shaken off. Ritchie's correspondence often mentioned the poor light in which they

1 R. Pinney, Early Northern Otago Runs, p. 170.
2 Ritchie to Russell, 10 January 1878, p. 15, Ritchie Papers.
3 H. Scott, Reminiscences of a New Chum in the 1870s, Timaru, 1922, p. 15.
4 Vogel to Featherston, 6 January 1872, Outwards Correspondence, Vol. 1, p. 270, Vogel Papers, MS Papers 2072, Alexander Turnbull Library.
5 AIHR, 1872, D-1, p. 21.
were regarded. "There is no question about your excessive unpopularity", he warned Savill in 1873.1

The Shaw Savill monopoly proved difficult to upset. They had early secured as agents - and thus tied to their vessels - the largest shippers in each of the four main ports. This made it awkward for smaller shippers to load ships they might individually charter. SS&Co thwarted any attempt to break the stranglehold by reducing its rates until competitors were driven from the field. Around the early 1870s it was, in any case, not easy to charter independent ships owing to a shortage of tonnage. Wooden ships were not being built, and the high costs slowed the production of iron vessels.2 SS&Co's influence in English shipping circles and the dominance of English fleets in world trade added to the problems of procuring ships from other sources.3 It was reported that Sir Isaac Featherston, the first Agent General, showed too much consideration to Shaw Savill and had even installed a private telegraph between his office and Shaw Savill's.4

The main exception to the SS&Co monopoly was Otago, which received the greater part of its imports from Glasgow and heavily favoured Glasgow shipping lines. SS&Co, however, still controlled the traffic from London and after 1861 despatched ships to Otago every two months.5 By the early 1860s there were two Scottish firms operating between Otago and Britain, Potter Wilson & Co and Patrick Henderson & Co. Potter Wilson lost the provincial immigration contract to its rival in 1862 and dropped out of the trade several years later.6 In 1864 the capital of P. Henderson & Co was raised to £200,000 and the firm was re-styled "The Albion Company", although its former name remained in common use.7 By 1868, the controlling interest was in the hands of James Galbraith. Peter Denny, another of the main shareholders, later performed an important role in the creation

1 Ritchie to W. Savill, 23 October 1873, p. 211, Ritchie Papers. After SS&Co's amalgamation with James Galbraith's Albion Company, Ritchie wrote: "It is wonderful how everybody here has come to hate those people and I am daily sorry Galbraith is in with them. Everyone has something to say of their tricks shuffling and sharpness and everyone the reverse of Galbraith. Now of course I can't separate the two." Ritchie to Russell, July 1877, p. 298. For another example, see Ritchie to Russell, 12 September 1877: "MacNeil of Briscoe says Savill's people... are the biggest shufflers he ever knew."

2 AIHR, 1872, D-1, p. 40.
3 AIHR, 1873, D-2c, p. 8.
4 AIHR, 1874, D-1, p. 17.
6 Mathew Holmes exerted great pressure on the Provincial Government to prevent this. Auld & Crawford to the Superintendent, 3 January 1860, OP 6/6/3; Auld & Crawford to the Superintendent, OP 8/1/33; Auld & Crawford to the Superintendent, 24 January 1863, OP 8/1/70, National Archives.
7 The members of the Company at this stage were Peter Denny, Thomas Findlay, John Nichol Fleming, William Davie, Robert Henderson, Thomas Muir and James Galbraith. D. Laird, Paddy Henderson & Co, Appendix I.
of the Union Steam Ship Company. The company was restructured and the capital increased to £1m in 1877.

Apart from brief interruptions in 1872 and 1873, the Albion line carried all the assisted emigrants leaving the Clyde for Otago from 1862 to 1877. In the latter year, an agreement was made with Shaw Savill & Co for joint sailings from Glasgow and London. Relations between the two companies appear to have been friendly for some time before this, even after the Albion started a line from London in 1873. Vogel was convinced that they worked in concert and were close to amalgamation in 1874. The Albion Company was regarded with great affection in Otago. One of its most ardent admirers was James Macandrew, who had a passionate commitment to Scottish emigration to Otago by way of this company. Galbraith seems to have been universally respected in shipping circles and took a generous interest in the welfare of the Province. Ritchie lauded him as "the finest man to do business for, possible to imagine."

The economics of the home trade were based upon sailing vessels that might make as few as one return passage a year. The homeward leg was considered to be crucial to the profitability of a voyage and this elevated the importance of the colonial agents of the shipping companies. In Otago, the agency of Patrick Henderson & Co was shared between Cargills & Co and Russell Ritchie & Co; the agency of Shaw Savill & Co was shared between Russell Ritchie & Co and Dalgety & Co. The fact that Russell and Ritchie could serve both companies is perhaps an indication of the lack of serious competition between those concerns. Otago's export trade was very much in the hands of Scotsmen during the 1860s and 1870s. In 1873, the consignments of Cargills & Co, Russell Ritchie & Co and the New Zealand & Australian Land Company represented "quite 3/4 of the exports from Otago and Southland". The Glasgow firm of Potter Wilson & Co, which was

---

1 G. McLean, The Southern Octopus, pp. 30, 150.
2 Company File, Albion Shipping Company, BT2/757, Scottish Record Office.
3 In 1872 Featherston refused to ship migrants from the Clyde because of the additional expense of working through that port. AIHR. 1873, D-2, pp. 8-9. In 1873 the New Zealand Shipping Company was awarded a six-month monopoly of government business.
4 D. Savill, Sail to New Zealand, p. 97.
5 Vogel to Agent General, 16 February 1874, AIHR. 1874, D-1, p. 22. Ritchie to Galbraith, 20 December 1873, p. 252, Ritchie Papers.
8 It was claimed that three quarters of the profit of a voyage came from the homeward leg. Otago Guardian, 18 February 1875.
9 Russell to Morton, 8 July 1873, p. 214; Russell to Galbraith, 8 July 1873, p. 210, Ritchie Papers.
closely linked to the Land Company, was also very active in the coastal trade during the mid-1860s.¹

Shipping agents had the task of arranging the loading of ships and striking the rates that shippers were charged. There was probably little inclination to attract cargoes by cutting rates until the commencement of the New Zealand Shipping Company, when the role of the agent became a very delicate one. If rates were too high, shippers were likely to be lost to a rival company; if too low, the agent’s commission was that much reduced and he was liable to receive, as did Ritchie in 1875, complaints from his principal that he had succumbed to pressure from the woolgrowers.² When individual shippers had to be enticed with special inducements, it was in the interests of agents to keep secret from other clients any concessions below the general rate.

The Coastal and Inter-Colonial Trade Throughout the latter part of the nineteenth century, Dunedin and Port Chalmers formed the entrepot for an extensive coastal trade. Vessels owned or based in Dunedin plied between the ports up the East Coast as far as Auckland and around to the treacherous bar harbours of the South Island’s West Coast. The organisation of this business was in a state of flux in the mid-1870s. In the previous decade, much of the traffic had been carried by a number of small owners. These men may be identified from the shipping advertisements of the time and the records of locally registered vessels. From these sources it appears that the leading operators included John Jones, Henry Guthrie, Henry Houghton, George Forrest Reid, Henderson Law and John Reid³, Royse Mudie & Co, Keith Ramsay, J.T. MacKerras, R.B. Martin & Co and G.S. Brodrick. The larger timber merchants also tended to own sizeable fleets of small vessels - for example, William Asher, Walter Guthrie and Gibbs & Clayton.

By the 1860s, the trans-Tasman trade with Otago was mainly in the hands of a Melbourne firm, McMeckan Blackwood & Co, which appears to have had a link, through Blackwood, with Dalgety & Co.⁴ A group of Otago merchants had endeavoured to wrest a share of this traffic by forming, in 1863, the Otago Steam Ship Company. The major investors in this concern are of interest here as they included John Jones, Reynolds, and the Cargill brothers. More than two thirds of

¹ See, for example, Ritchie to John Potter, 16 November 1865, p. 52; Ritchie to Cunningham Smith, 16 March 1866, p. 68; Ritchie to James Wingate, 30 November 1868, p. 5, Ritchie Papers.
² Ritchie to Galbraith, 20 January 1875, p. 328, Ritchie Papers.
³ John Reid was the brother of G.F. Reid.
⁴ AIBR, 10 February 1881, p. 42.
the shares were held by Scottish investors, notably men with a stake in the Albion Company.¹

The depression that gripped the Otago business community in the late 1860s seems to have forced a reorganisation of the local shipping industry. Losses and bankruptcies took a heavy toll among the smaller owners. Some were brought down by losses in other business ventures; others suffered from a lack of capital.² After the suicide of George Forrest Reid in 1876, Henry Guthrie and Keith Ramsay were the most active of the small shippers who had emerged during the goldrush era. The Otago Steam Ship Company had quickly foundered and seems to have contributed to the financial anxieties suffered by Reynolds and Cargill around that time.³

With the rapid improvement in the Otago economy in the 1870s, conditions were suitable for the emergence of a larger shipping enterprise, backed by a substantial investment of capital, which could exert dominance in the local trade and fend off competition from other ports.⁴ James Mills sought to exploit this opportunity by offering to sell the Harbour Steam Company to a new concern, the Union Steam Ship Company. The initial attempt to float the Union Company in 1873 was a failure. Mills received the support of leading businessmen. Cargill, Ritchie, Neill, Lamach and Driver were among the provisional directors, but the capital subscribed was insufficient.⁵ His next move was to solicit Scottish investment by exploiting Cargill’s connections with the directors of the Albion Company. The blessing of two of these men, James Galbraith and Peter Denny, appears to have been decisive in the ultimate success of Mills’s plan.⁶ When the Union was registered as a public company in 1875, Scottish shareholders had

---

¹ Articles of Association and 1867 share list of the Otago Steam Ship Company, Company File 1, Hocken Library.
² Henry Houghton, William Royse, J.B. Mudie and R.B. Martin became bankrupt around this time. G.S. Brodrick dropped out of the trade and was later known to be in financial difficulties.
³ The company sold one of its steamers, the "Albion", for £12,000, having paid £32,000 to have it built. Cargill & McLean to Jardine Matheson & Co, 17 April 1868, JM/2081, Cambridge University Library.
contributed over a third of the capital. Within three years, most of the shares were in Scottish hands.\(^1\)

The involvement of Denny and Galbraith in the Union Company created a certain conflict with their interests as owners of the Albion line. Galbraith’s agents, Cargills and Russell Ritchie & Co, were responsible for obtaining low rates of carriage on the coastal vessels that fed cargoes to the ships of the Albion Company. Mills, on the other hand, was intent upon pushing freights as high as possible. In the past, Galbraith’s agents had made their own arrangements or employed the Harbour Steam Company, but Ritchie was soon to complain that Mills showed "no signs of gratitude".\(^2\) He was suspicious of allowing Mills too much control in the coastal trade and maintained that the Albion should always be in a position to influence freights or supply its own vessels. Galbraith was persuaded and in 1874, while Mills was still trying to float the Union Company, the Albion ran its own steamers along the coast.\(^3\)

The wisdom of this policy was soon borne out, as Mills suddenly introduced a 50% increase in wheat freights.\(^4\) "He is far too grasping", thought Ritchie, "and has been carried away a little lately... It is really dangerous for a youngster like Mills to succeed as he has done".\(^5\) Mills’s co-directors realised that the Union Company could not afford to work against the powerful Albion Company, given the large share that Denny had taken in their venture. Divided in their loyalties to these two concerns, E.B. Cargill and George McLean sought to bring about a reconciliation.\(^6\) Meanwhile, Mills’ dictatorial ways were causing strife even within his own camp. He had a serious row over the management of the Company with J.R. Jones, and Julius Hyman was reputedly anxious to sell out his shares at par or below.\(^7\)

Intensified competition in the steamer business in 1876 saw Mills "on his marrow bones".\(^8\) Galbraith’s decision to introduce a large steamer, the "Taiaroa", soon forced Mills to offer special terms for the carriage of the Albion Company’s cargoes. Russell Ritchie & Co won the agency for loading the Union Company’s

\(^{1}\) McLean, The Southern Octopus, p. 208.
\(^{2}\) Ritchie to Galbraith, 3 May 1876, p. 57, Ritchie Papers.
\(^{3}\) Ritchie to Russell, 9 February 1874, p. 13; 17 March 1874, p. 38; 23 December 1874, p. 103, Ritchie Papers.
\(^{4}\) Ritchie to Galbraith, 20 January 1875, p. 328, Ritchie Papers.
\(^{5}\) Ritchie to Russell, 16 February 1875, p. 213, Ritchie Papers.
\(^{6}\) Ritchie to Galbraith, 3 May 1876, p. 54; Ritchie to Russell 23 December 1874, p. 203, Ritchie Papers.
\(^{7}\) Ritchie to Russell, 19 June 1876, p. 63, Ritchie Papers.
vessels at Timaru and Mills arranged to buy the new vessel. For Ritchie, the agreement was a triumphant vindication and he shared his pleasure with Galbraith:

I could not possibly resist inward chucklings at the effect of it. Mills running steamers hard against himself. Mills contributing by his whole strength to prove how foolish he had been in his action towards us... the whole thing is splendid.\(^1\)

The extraordinary success of the Union Company is a story too well told to bear repetition here.\(^2\) Extremely high profits were earned during the boom years of the 1870s.\(^3\) Eliza Isaac claimed that some vessels were earning as much as 55-70%.\(^4\) Right from the start, the intention of its founders was to monopolise the steam service in New Zealand, and they made rapid progress towards that goal.\(^5\) The Union soon bought out the New Zealand Steam Shipping Company, its main rival in the New Zealand trade, and acquired a strong hold on the inter-colonial routes by taking over McMeckan Blackwood and Co in 1877.\(^6\)

Except for the interference of the New Zealand Shipping Company after 1873, both limbs of the shipping industry in Otago were tightly controlled by a small group of men. The local organisation of the home trade was entrusted to the three biggest stock and station firms. Members of these partnerships thus bestrode two vital sectors of the Otago economy. A number of them also found places on the board of what was soon to become the largest New Zealand line. The Cargill family was represented on the Union directorate throughout the nineteenth century, alongside their kinsman, J.R. Jones. George McLean, a former partner of Cargills & Co, was chairman of the company until 1906, and Ritchie joined the board in 1885 after the ill-feeling between him and Mills had passed away.\(^7\)

In turn, these men owed much to their ties with the two British firms operating in Otago waters. James Galbraith had played almost a fatherly role in Otago business, which continued through his association with Russell and Ritchie's NMA Company. Captain Leslie of Shaw Savill provided a similar service

\(^1\) Ritchie to Galbraith, 21 August 1876, p. 104, Ritchie Papers.
\(^3\) G. McLean, The Southern Octopus, pp. 28-29.
\(^5\) Ritchie to Galbraith, 3 May 1876, p. 54, Ritchie Papers.
\(^6\) G. McLean, The Southern Octopus, pp. 31-33, 40-41.
\(^7\) G. McLean, The Southern Octopus, p. 214.
when Cargills & Co was incorporated as the British & New Zealand Company. Without the good will of Galbraith and Denny, floating the Union Company would have been more difficult to accomplish and it is doubtful that the company would have grown so rapidly without their support. By using these connections with British capitalists, members of the "inner circle" consolidated their positions as leaders of the Otago business community.

Importers and Merchants

In the absence of real competition from a domestic manufacturing sector, Otago was a lucrative area for those involved in the import trade. Typically, the bigger firms had resident partners in England to coordinate shipments, or they bought through partners or agents in Melbourne. Many of them also had branches in other provincial capitals. By 1883, one third of the colony's trade was said to be carried by Otago merchants.¹ There were numerous firms engaged in this business to a greater or lesser extent and the more important of these are listed in Appendix 19. These merchants often dabbled in a variety of activities - for example, ship chartering, engineering contracts, small-scale manufacturing and speculative purchases of local commodities such as grain.

It is difficult to generalise about the dynamics of this diverse form of business activity. The tea trade, for which good records exist, may serve as an example. By the 1870s, most of the tea sold in Otago was imported directly from China through Jardine Matheson & Co. This was probably the largest firm operating in the East and it had New Zealand connections through Matheson Brothers of Dunedin and Charles Magniac, one of the principals, who was a director of the National Bank.² Jardine Matheson & Co consigned tea to four firms of the "inner circle": Cargills & McLean, Russell Ritchie & Co, W. & G. Turnbull and P.C. Neill & Co.

By all accounts, the tea market was extremely fickle. For direct shipments to be profitable, the tea had to arrive early in the season otherwise the market was liable to become glutted with excess stocks from Melbourne.³ If the tea could not be sold during the current season and had to be held in storage, it was very difficult to obtain buyers unless there was some interruption in the supply during

---
¹ AIBR. 11 January 1883.
² G. Hawke, MS History of the National Bank, pp. 1, 4, National Bank Archives.
the following season.\(^1\) The wreck of the tea clipper "Hindu" at Riverton in 1871 was hailed as a blessing in disguise because it allowed Dunedin merchants to dispose of otherwise unsaleable stock.\(^2\) Most forms of mercantile activity were sensitive to the demand from the goldfields, and the tea trade was no exception. The winter months were always quiet because the poor state of roads to the hinterland all but cut off this market.\(^3\)

Although the bigger houses seem to have competed on a fairly friendly basis and sometimes organised joint shipments, competition from other firms, both in Australia and Dunedin, resulted in a series of unprofitable years during the 1870s.\(^4\) Orders were sometimes placed with no expectation of a satisfactory profit, but simply to deter other parties from entering the trade.\(^5\)

These features of the tea trade seem to have been typical of the mercantile environment of Dunedin. There was always a substantial annual fluctuation in demand and often considerable variation from year to year. Supplies from overseas were unpredictable and the timing of their arrival might mean the difference between a handsome profit and a significant loss. Importing ultimately made a number of Dunedin merchants wealthy, but it was no certain path to riches. A series of bad years might soon reduce a seemingly strong house to a position of insecurity. The firms that survived the sudden retraction of the goldfields market in the mid- to late 1860s generally did very well in the years leading up to the City of Glasgow Bank collapse in 1878. But the period after this critical watershed was to prove a serious trial for all the mercantile firms.

Manufacturing and the Extractive Industries

In comparison with the importing and mercantile sector, factory owners were a much smaller section of Dunedin's business community. In 1870, Otago's heyday as a centre of industrial manufacturing was still some way off, but a number of important enterprises already existed.\(^6\) Dunedin's small domestic market and its

---

2 Cargills & McLean to Jardine Matheson & Co, 12 April 1871, JM/2609, 2610, Cambridge University Library.
3 Neill & Co to Jardine Matheson & Co, 11 June 1873, JM/3091, Cambridge University Library.
4 Neill & Co to Jardine Matheson & Co, 27 November 1871, JM/2743; 11 June 1873, JM/3091; George Gray Russell to Jardine Matheson & Co, 4 April 1873, JM/3057, Cambridge University Library.
5 George Gray Russell to Jardine Matheson & Co, 13 June 1870, JM/2449, Cambridge University Library.
6 See Appendix 20, Volume Two.
isolation from export markets placed limits on the growth of these industries. These factors also made manufacturers even more vulnerable to adverse economic conditions.

Most mining, manufacturing and milling ventures were in the hands of individuals or small private firms at this time. Incorporation of the manufacturing sector began in earnest in the mid-1870s, but the results for investors were not encouraging. This is illustrated by three major industries: brewing, coal and timber.

Brewing was identified by Stone as one of the most profitable industries in nineteenth-century Auckland. In Dunedin, however, success proved more elusive. The 1870-71 street directory lists five firms of brewers based in Dunedin and to these may be added Bastings & Kofoed's brewery at Lawrence. With the possible exception of Thomas Birch, none of these men attained any lasting prosperity. Indeed, while most other business activities thrived in the mid-1870s, three of the leading brewers, Maurice Joel, William Strachan and Marshall & Copeland, fell victim to insolvency, the failure of the latter firm causing a loss of £10,000 to the National Bank. Burke's brewery was also struggling. James Speight, a later and more famous brewer, left an estate valued at less than £1,000 in 1887.

The leading brewery was the Albion Brewing & Malting Company, which in 1875 bought the assets of an earlier concern, the New Zealand Distillery Company. The Distillery Company had been paid compensation by the government to cease its operations and this placed a handsome capital at the disposal of its proprietors at that time, R.M. Robertson and C.R. Howden. Larnach had also done well out of his investment in this concern, having bought his share for £1,000 in 1870 and sold it for £6,000 five years later. But the new venture, in which Larnach, Reynolds and Proudfoot were substantial shareholders, was a failure. It was wound up within three years and its unfortunate shareholders faced a heavy loss on their investment. By the end of the 1880s Otago had produced no brewing barons and the industry had struggled to achieve profitability.

2 Murdoch to Larkworthy, 20 August 1875, Larkworthy Papers.
3 QTJ 30 April 1875.
4 Probate File 1515, Dunedin High Court.
Dunedin capitalists had a firm grip on New Zealand's coal production and began to reap the benefit of this position towards the end of the century. The foundations of this industry were laid in the 1870s and early 1880s. Between 1874 and 1882, seven coal companies were registered in Dunedin. The combined nominal capital of these ventures was £654,500, with the WCC accounting for the bulk of this sum. A survey of the directors and investors in the Dunedin-based coal companies throws up a familiar group of names. This was particularly the case with the board of the WCC, which was dominated by members of the "inner circle". The local borrowing of the company reflected the connections of these men. Mathew Holmes arranged an initial loan of £30,000 - later increased to £50,000 - from his wife's relation, "Big" John McLean. At the same time, the Company's overdraft at the Colonial Bank stood at £37,000. Given the overlapping of the two directorates, it is unlikely that the negotiation of this facility presented many difficulties. Nor, for the same reason, is it surprising to find the WCC and the USSCo developing a powerful monopoly over the production and supply of coal from 1887.

In spite of the sums that Dunedin investors poured into the development of the coal industry, it was a long time before shareholders received any reward. The smaller mines generally returned very poor yields to investors in the 1870s and 1880s. The development of the West Coast fields absorbed a great deal of capital, not only from private sources but also from the government, which responded to intense lobbying from Dunedin interests by sinking £240,000 in improving access to these mines. By the mid-1880s, however, the future of the WCC was anything but assured.

Five firms worked the timber trade in Dunedin in 1870. This business seems to have prospered with the high levels of immigration in subsequent years, but it was still regarded as an activity involving a high level of risk. The smaller timber merchants were soon outpaced by the partnership of Guthrie & Larnach, which also diversified into ironworking and importing. The growth of this firm outstripped the capital of the partners and the business was incorporated in 1877. In contrast to the Auckland timber companies, which were highly profitable.

---

1 See Appendix 21, Volume Two.
2 See Appendix 22, Volume Two.
3 WCC Board Minutes, 22 November 1882; 17, 24 February 1886, Hocken Library.
5 Morning Herald, 14 January 1879.
6 Murdoch to Larkworthy, 29 October 1874, Larkworthy Papers.
throughout the 1870s and much of the 1880s, the new company performed so badly that it was wound up within seven years.¹ Dunedin's other large timber company, the incorporation of a firm called Findlay & Co, met with no better success. It was registered in 1883 with a nominal capital of £100,000 and wound up at the end of the decade.² James Rattray, another member of the "inner circle", had an interest in this company.

The history of the timber, coal and brewing industries in the 1870s helps to explain the more limited role of manufacturing and mining in the overall shape of Otago economy at this stage. These industries were costly to develop, often vulnerable to foreign imports and dependent on small, fragile markets. Compared with the very profitable manufacturing ventures of Auckland, public companies operating in this field in Otago offered less certain rewards.³ Investment in real estate or the booming pastoral and agricultural sectors was far more attractive. But in the management of the large public companies that were floated to exploit opportunities in mining and manufacturing, the influence of the "inner circle" was again strongly in evidence. This was no less true of some other major companies not discussed here - for example, the Mosgiel Woollen Factory Company.

Internal Transport

The transport of goods by road seems to have been in the hands of numerous small carriers. This is confirmed by one of the few glimpses that are afforded into the nature of this industry, namely the carriers' strike of 1866.⁴ In 1870 passenger traffic was still mainly in the hands of Cobb & Co, although the monopoly of its Otago proprietor, J.T. Chaplin, was made tenuous by his delicate financial situation and the advent of several competitors.⁵

---

¹ R.C.J. Stone, Makers of Fortune, Ch. 6.
² Register of Companies, 1883, Hocken Library. W.C. Roberts valued the firm's worth at £12-15,000 in 1875, "but the timber trade is of course subject to some risk yet the profits are great." Roberts to Larkworthy, 17 March 1875, Larkworthy Papers.
³ R.C.J. Stone, Makers of Fortune, pp. 52-55.
⁴ Oamaru Times, 19, 26 April; 10 May 1866.
⁵ E.M. Lovell-Smith, Old Coaching Days in Otago and Southland, Christchurch, 1931, p. 27.
The Professions and Miscellaneous Business Groups

Associated with the main activities of the Otago business community were a considerable number of professional men, managers and agents. Lawyers comprised one of the largest groups within this category: indeed, there seems to have been a positive glut of legal talent in this period. In 1862, thirty-three men were registered in Dunedin under the Law Practitioners Act and this number quickly multiplied. Many of these men were nomadic in disposition and did not remain long in the Province. By the end of the decade, half a dozen men had emerged as clear leaders of the profession: James Smith, James Macassey, George Elliot Barton, Robert Stout, George Cook and Bryan Haggitt.

Lawyers moved easily within the highest levels of the business community. For obvious professional motives, the leading practitioners were well represented on the lists of promoters and directors of the many companies formed in the 1870s. A complex pattern of changing partnerships and intermarriage bound the legal world together and helped unite it with runholders and merchants. This insularity also fostered some bitter internal rows, and Dunedin lawyers became notorious for their infighting.

For a few, the practice of law was reasonably remunerative. John Gillies senior and T.B. Gillies made £1,000 a year from their partnership and the later firm of Gillies and Harris had annual profits of £9,000 during the early 1860s. These appear to have been unusually high returns. Dunedin lawyers might be men of influence in the business community but, as Stone observed of their Auckland counterparts, "less frequently were they men of substance." An exception was James Smith, nicknamed "Darky" Smith for his swarthy complexion, which once caused him to be mistaken for an African. Smith was the agent and partner in Geillbrand & Co, one of the largest pastoral firms in the country.

As a rule, doctors were much less prominent in business. Edward Hulme involved himself with a number of companies and was a provisional director of

1 M. Cullen, Lawfully Occupied: The History of the Otago District Law Society, 1979, p. 23.
2 See Appendix 23, Volume Two.
4 R.C.J. Stone, Makers of Fortune, p. 42.
5 Bruce Herald, 6 May 1876.
6
the Colonial Bank. Hocken was a more active investor in such ventures and seems to have accumulated share scrip with the same eclecticism as he hoarded old manuscripts. There were few specialist accountants at this date, although this profession grew slowly as the decade wore on, mainly because of its appeal to displaced bank managers.

In addition, there were many general and real estate agents, surveyors, engineers, auctioneers, brokers and branch managers of insurance and other companies. Those who followed no particular calling, but who lived on inherited or accumulated wealth or the proceeds of land speculations must also be considered. Among them were some of the city's larger capitalists, who are discussed at greater length in Appendix 3, although some are worthy of mention here. William Kennedy, for example, made a sizeable fortune out of buying and selling real estate. George William Eliott, manager of the New Zealand Insurance Company and a relation of the Cargills and Murisons, was another who speculated heavily in land. John McGregor, a civil engineer, followed a similar course. Robert Gillies found real estate agency and surveying sufficiently lucrative to enable him to make investments in coal and newspaper ventures. Archibald Hill Jack and Thomas Brydone were company managers who had significant interests beyond their salaried employment. E.E.C. Quick was probably the leading sharebroker in the city.

Jews in the business community formed a distinct group that also demands notice. After the goldrushes, Otago acquired a Jewish population of significant proportions. The majority of its members arrived by way of Melbourne and the Victorian goldfields. In Dunedin, they pursued their traditional vocations: moneylending, importing, brewing and the hotel trade and various manufacturing and retail pursuits. The firms of Bing Harris & Co and P. Hayman & Co were the biggest of the Jewish firms in the early period. Maurice Joel and Julius Hyman were prominent in the brewing trade and Hyman also supported James Mills during the formative years of the Union Steam Ship Company.¹ These men were the leading business figures among Dunedin's Jews. There were, in addition, many petty traders and pedlars. The depression of the mid-1860s hit the latter group very hard, with as many as eighteen succumbing to bankruptcy.²

---

Later in the 1870s, the Hallenstein family and its connections began to form one of the strongest business networks in the city. Hallenstein came to Dunedin in 1874 after successfully negotiating the pitfalls of commerce on the goldfields. By 1877, his New Zealand Clothing factory was employing 400 people. Hallenstein also had a share in the biggest tannery in the city and his partner, Jacob Isaacs, was involved with Heymanson & Low, the boot importer and manufacturer. Later partners included Hyam Hart, David Theomin and Percy Halstead. Theomin and Hallenstein were jointly interested in the Dresden Piano Company and D Benjamin & Co.

The high profile of Jews in Dunedin's commerce invites consideration of their treatment by other members of the business community. There appears to be little evidence that they were discriminated against in ways that hindered their careers. The growth of the city's Jewish community resulted from the great influx of population from Victoria, where Jews seem already to have gained acceptance in the business world. Freemasonry was probably an important medium for the integration of Jews into the gentile business community. Many Jewish names appear on the rolls of the early lodges and Lodge Hiram was particularly known for its high proportion of Jewish members. Julius Hyman attained the rank of Master in 1864 and the same honour was later bestowed upon C.J. Levien. It is probably more than coincidence that T.S. Graham, a leading Mason, joined two firms of which Jewish Freemasons were members and also invested in Julius Hyman's Keast & McCarthy brewery. The Dunedin Club was a less accessible institution. In the last two decades of the century, eight Jews were admitted as members (before, there had only been Julius Vogel).

1 ODT, 18 August 1877.
2
3
4 G. Barclay, The Extinct Lodges of New Zealand, Wellington, 1935, p. 64.
6 The two firms were Bing Harris & Co and Haymanson & Low.
7 The new members were: Hallenstein, Hart, Isaacs, Theomin, Halstead, Henry Brasch and Meyer Finker.
The supposed attributes of the Jewish businessman were not entirely overlooked. The involvement of Jews in moneylending inevitably caused them to be seen in an unfavourable light. Entries in the Mercantile Gazette show that this activity was mainly carried on by men such as Henry Benjamin, Lewis Lyons and Natharr Hart. In 1880 the ODT ran a leader condemning the usurious rates charged for short term loans and expressing sympathy for the borrowers forced to accept them: "Are such individuals to be handed over for ever to the tender mercies of Messrs MOSES and AARON, which are indeed cruel?" These extortionists, "usually with Hebrew names", were referred to by the paper as "bloodsuckers". The article produced "no little stir amongst citizens of the Hebrew persuasion." In future the ODT took pains to make complimentary references to the Jewish inhabitants of the city. On another occasion it wrote:

We in Dunedin are in a position to speak as to the value of the Jewish element in a population, for many of our leading and most esteemed townsmen are Jews... no section of the community is more law-abiding, more ready to help in any public good work, or less inclined to be unsociable and reserved. As is the case with other sects, they have much closer relations with each other than with those not of their faith; but in their dealings with their Christian fellow-citizens they are as kindly and liberal as the best Christian amongst us.

1
2 ODT, 10 May 1880. For further comments about Jewish moneylenders, see the Otago Workman, 19 October 1888.
3 ODT, 13 May 1880.
4 ODT, 16 August 1881.
The Press

Dunedin possessed three daily papers in the mid-1870s: the Otago Daily Times, the Evening Star and the Otago Guardian. On political issues affecting the runholders, these journals usually presented a united front and an examination of their proprietorship quickly reveals the reason. When the ODT was converted to a limited liability company in 1866, the majority of the shares were taken up by members of the Dunedin Club. By 1873, two fifths of the company was owned by William Larnach and his partner in the Puketoit station, W.D. Murison.¹ Several years later, most of Larnach's shares had apparently passed to another of his close friends, Robert Stanford, who became the de facto editor as Murison's health failed.²

Regarded as the mouthpiece of the well-to-do conservative element in Dunedin, the ODT became something of a political symbol in its own right. Macandrew exploited this perception of the Daily Times during his campaign in 1867 and portrayed the paper's hostility towards him as a manifestation of his struggle against the representatives of wealth and respectability. At one demonstration, his supporters burnt copies of the paper after first parading them spitted upon sticks.³ The Daily Times remained suspicious of Macandrew for years afterwards, a point made by a rhyme published in the Echo entitled, "From the Evening Star to the Daily Times":

From my especial point of view
I cannot comprehend you
For though you punish Donald Reid
You never love Macandrew.⁴

Macandrew continued to receive cool treatment from the Daily Times even after it was sold in 1877. When there was a possibility of his becoming Premier in 1879, the board of directors, chaired by his brother-in-law, W.H. Reynolds, instructed the editor not to advocate his suitability.⁵ Much of the paper's general editorial policy was determined in this manner, with sometimes very lengthy

---

¹ Evening Star, 12 August 1872.
² Changes in the company's shareholding may traced in Company File 15, Hocken Library.
³ ODT, 20 February 1867.
⁴ Echo, 21 October 1871.
⁵ ODT & Witness Company Board Minutes, 17 October 1879, Hocken Library.
meetings being held to resolve the stance to be adopted on questions like education, free trade and separation.

The Daily Times was not remarkable for its consistency in politics under the regime of the first ODT & Witness Company. Interference in its editorial policy by large shareholders and by directors may partly account for this. As the Timaru Herald commented in 1875, "the Daily Times has become so much accustomed to place its editorial columns at the disposal of any of its more influential supporters, who have views to ventilate, ends to compass, or vanity to gratify." But it was firm in its advocacy of runholders' rights and contemptuous in its treatment of the country press. Letters and articles on the land question not in accordance with the policy of the main shareholders were allegedly declined for publication.

The early history of the Guardian is not entirely clear. It seems to have been started in 1873 and soon fell into the hands of David Proudfoot's brother-in-law, George Fenwick. Proudfoot was the main shareholder in the Guardian Printing Company, which was formed to run the paper in 1875. The other major investors in this concern included some familiar names - Henry Driver, James Mills, Robert Campbell, William Fraser of Earnscleugh, Robert Wilson and Charles Ritchie Howden. Not surprisingly, the Guardian was seen as another "High Street" organ.

Competition from the other dailies proved too intense and the paper was reported to have made a loss of £8,000 by May 1876. The Company was wound up and Fenwick and G.M. Reed took over the Guardian on their own account, with financial assistance from Proudfoot, Robert Stout and John Davie of M'Landress Hepburn & Co.

In 1877, the Otago Daily Times & Witness Company was sold to Proudfoot in controversial circumstances. A new company of the same name was registered a year later and the assets of the Guardian and Southern Mercury papers were transferred to this venture. Reed, Fenwick and Robert Campbell were the three largest shareholders, and the first directorate included Reynolds, Walter Guthrie and "Darky" Smith. Larnach and Oliver were among the initial subscribers and

1 Timaru Herald, 11 January 1875.
2 Bruce Herald, 18 September 1867.
3 G. Schoefield, Newspapers in New Zealand, Wellington, 1958, p. 176.
4 Company File 38, Hocken Library.
5 New Zealand Tablet, 10 July 1875. Mount Ida Chronicle, 7 January 1876.
6 ODT, 30 June 1876.
7 Mercantile Gazette, 6 May 1876. Stout to Proudfoot, 3 April 1878, Stout Letterbook, Victoria University Library.
8 Board Minutes of the Otago Daily Times & Witness Company, 11 April, 10 June 1878, Hocken Library.
Driver also held shares. Throughout the 1880s, Smith's law firm and Smith's brother Sir Francis supplied a significant part of the Company's borrowing requirements. In 1884 this amounted to over £8,000 of mortgage and debenture capital.

The third major daily of this period, the *Evening Star*, had passed into the hands of William Henningham by the late 1860s. In partnership with Julius Vogel, who had been sacked as editor of the *Daily Times*, Henningham began yet another daily, the *New Zealand Sun*, in 1869. Vogel appears to have had very little money of his own at this date and he was enabled to join the partnership by borrowing from Driver & Maclean, John Davie, George Turnbull and Wright Robertson & Co. As might be deduced from the composition of this group, the *Sun* vigorously promoted the interests of the runholders and devoted much of its attention to supporting Driver's political campaigns. It was rumoured that Francis Dillon Bell and "Big" Clarke were involved in the concern, but proof is lacking.

The *Sun* folded after 100 issues when Henningham fell out with Vogel's backers. Turnbull and the three stock and station firms had promised advertising support but this failed to materialise. Henningham was left stranded and Francis Fulton, mortgagee of the *Star*, foreclosed. The plant of the *Star* was then bought by Driver and Turnbull in 1869 and later sold by them to George Bell. The exact date of the transfer is not known but, for some time after Bell took possession, the paper was still looked upon as the advocate of Driver and Turnbull's political interests. Bathgate claimed that the *Star* had "got into a certain groove when it was sold by Mr Driver to its present editor, and out of that groove it has never got." The *Tuapeka Times* called it "Driver's mongrel cur".

Henningham continued his personal feud against Driver by starting a new paper, the *Echo*, whose politics were opposed to those of his former creations, the *Sun* and the *Star*. Driver sued for libel after the *Echo* accused him of corruption and, although the action was never prosecuted, the injury to Henningham's credit

1 Board Minutes of the Otago Daily Times & Witness Company, 11 April 1878, 17 March 1882, Hocken Library.
2 Board Minutes of the Otago Daily Times & Witness Company, 15 February, 14 March 1884, Hocken Library.
3 *Echo*. 1 January 1870.
4 *Lake Wakatip Mail*. 26 November 1868.
6 *ODT*. 8 August 1871.
7 *Tuapeka Times*. 12 January 1871.
was enough to force him to seek refuge in bankruptcy. The Echo was forced to suspend publication, but financial support from Henningham's friends allowed him to restart it as a weekly. This pleased the Tuapeka Times, which applauded Henningham for "the gallant fight he has waged against the dominant class." His recovery was short-lived and he was again obliged to file for bankruptcy in 1870 - the third occasion he had done so during his career in Otago. This time Henningham paid the price for his pungent attacks on Judge Ward, for he was also convicted of fraudulently disguising assets. He left Otago in 1871 to become editor of the Mudgee Mail, but he again ran foul of the law and in 1890 was sentenced to three years of hard labour for forgery.

The Echo marked Henningham's departure by reiterating the reasons for its founding. It was not envisaged that the paper would be a success as a commercial venture, but it was felt that Dunedin should possess a journal that was "free from class and other influence." The Evening Star was "generally looked upon as expressing the view of the former owners of the Star plant, namely, Messrs Driver & Turnbull", while of the Daily Times' directors:

... perhaps the majority have strong leanings to the pastoral lessees. Some of the shareholders of the Times also, who are runholders, have considerable influence in shaping its course as an exponent of public opinion.

Under the proprietorship of John Dick, and with Robert Stout as editor, the Echo continued its forthright attacks on squatterdom and "High Street" until it was again suspended in 1873. It billed itself as a secular paper and probed issues that other newspapers were content to ignore: for example, the treatment of Maori

---

1 Bruce Herald. 25 August 1869. It was thought that Driver intended to drop the action but wished to prolong the proceedings as long as possible to maximise the damage to the Echo.
2 Bruce Herald. 22 September 1869.
3 Tuapeka Times. 23 October 1869.
4 Evening Star. 28 February 1870.
5 Evening Star. 2 March 1870.
6 Southern League. 27 August 1871. Otago Workman, 10 May 1890.
7 Echo. 2 February 1871.
8 Echo. 2 February 1871.
9 Stout's connection with the paper was alluded to on a number of occasions. See, for example, ODT, 25 June 1871. J.G.S. Grant claimed to be a contributor at a very early stage in the paper's history. Delphic Oracle, 30 June 1869.
prisoners of war. There was at least one other liberal journal in Dunedin in the 1870s, the Age, but few issues have survived.

The monopoly of Dunedin's daily press by representatives of major business interests - particularly members of the "inner circle" - continued until the advent of the Morning Herald in 1877. Control of the city newspapers was one way in which these groups could bolster their position in the political world, for the editorial tone of the three dailies was rarely inconsistent with their programmes. The perceived bias of the main organs of public opinion was naturally resented by outside parties. As public attention fastened upon the business community in the late 1860s, this would result in a clash between the Dunedin dailies on one hand, and the country papers, allied with the Echo and Southern League, on the other. It is a reasonable assumption that this war of words was influential in shaping perceptions of how the business community stood in relation to the rest of Otago society.

---

1 Echo, 24 September, 25 June 1870.
2 This paper was the Dunedin Age, which appears to have changed its name from the Evening News in January 1878. ODT, 13 January 1878. The issue of 12 August 1878 referred to the three-year existence of the paper and its "outspoken expression of opinion on matters affecting the welfare of the community, principally matters which affect the working classes." The provisional directors included G.W. Elliott, Daniel Campbell, Ralph Ewing, R. Hudson and Alexander Inglis.
3 The first editor of the paper, an Irishman called Robert Wilson, had been a storekeeper in California and editor of a Castlemaine paper called the Miner's Right. He took over Vogel's Inglewood Advertiser before coming to Otago. G. Scholefield, Newspapers in New Zealand, pp. 167, 183. The Herald advocated liberal land reforms and was highly antagonistic towards Proudfoot and the ODT.
CONCLUSION TO PART ONE

It was observed at the start of Part One that it was not feasible to define the business community by means of simple objective criteria. Instead, the functioning of the provincial economy has been discussed and the main participants within each of the key sectors have been identified. This examination yielded a group of about 160 men who formed the core of the business community around the year 1870. It also highlights the importance of the sub-group which, for the sake of convenience, we have labelled the "inner circle".

The boundary between the "inner circle" and other members of the business community is to some extent artificial. Nevertheless, it is clear that these men possessed a level of influence that warrants special attention to their careers. There was no major aspect of commercial activity in which they did not possess a significant, if not a dominant presence. In particular, they held a large measure of control in the stock and station and shipping industries. The export of wool, Otago's most important source of revenue, was almost entirely within their domain at this time, as was the financing of wool production. They enjoyed close relations with the leading British capitalists investing in the colonies and thus had good access to sources of cheap overseas funds. In banking, the progress of the two institutions that concentrated their early energies on the south - the National and Colonial - was affected in no small way by the behaviour of this group. The "inner circle's" hold over the import trade was less than complete, but some members of the group were important merchants. The same is true of the manufacturing sector, which was still very much in the process of development. The three most important newspapers were virtually in the hands of the circle, although this had the undesirable consequence of intensifying scrutiny of its activities by rival publications.

We may therefore proceed on the basis that a group has been identified which, if it did not possess attributes identical to Stone's "limited circle", at least performed similar functions in the context of Otago's rather different economy. Our attention must now turn to the economic environment into which the business community was about to move and the experience that had shaped its outlook and composition in the 1860s.
PART TWO

ECONOMIC AND SOCIAL DEVELOPMENTS

INTRODUCTION TO PART TWO

Part Two is divided into two Chapters. In Chapter One it is argued that the composition and outlook of the business community had been shaped by the sudden movement from depression in the 1860s to prosperity in the 1870s. The business community was greatly enlarged during the goldrushes, but the depression that followed meant that its membership changed constantly. Improved conditions in the 1870s helped to strengthen the bonds of association between businessmen. The leadership of the "inner circle" became more prominent, especially in the floating of numerous corporate ventures.

Chapter Two examines the social development of the business community. There is some suggestion in the literature that the business "elite" of the late 1860s had attached itself to the pre-goldrush "elite" and absorbed the values of that group. This interpretation is considered in the light of recent Australian writing and the evidence from within Otago, but it is first necessary to consider how closely the "elite" and the business community resembled each other.
CHAPTER ONE - THE ECONOMIC BACKGROUND OF THE 1860s AND THE ECONOMIC SETTING OF THE 1870s

The Depression: 1865-71

From the beginning of 1865, Otago passed into a period of severe recession. The worst years, 1866-67, were long remembered by old colonists, who used them as the benchmark against which later depressions were compared.1 Robert Stout, however, considered 1869 the nadir, and the Evening Star likened it to "a year of mourning".2 An initial cause of the slump was immediately obvious. As surface gold deposits became worked out, a large proportion of the mining population was drawn to the West Coast. Around September 1865, Dunedin streets were choked with diggers about to leave for Hokitika.3 The West Coast fields were mainly supplied directly from Victoria, where successful miners often returned for their celebratory amusements in preference to Dunedin.4 In Otago, the economics of many kinds of speculation were destroyed. Traders were left with high overhead costs to cover and large stocks of expensive and unsaleable goods.

The pastoral industry also faced difficulties. In some districts the outbreak of pleuropneumonia reduced the number and value of cattle, and scab continued to be a problem in sheep. Bankrupt stockowners often cited as a cause of their distress the sudden decline in the value of the herds and flocks they had purchased at high prices. Sheep worth 25s in 1865 had slipped in value to 5s or less by 1870.5 The shrinkage in the market for meat on the goldfields may partly account for this, as well as the fact that animals could not be so readily sold for the purpose of stocking runs.

Wool prices were considered good in 1866, but had fallen severely by 1868.6 There was worse news the next year when a large quantity of New Zealand wool could not be sold in London because of a commercial crisis, and predictions of oversupply drove the price down to only 6d per pound. The mid-year sales saw a further "terrible fall" of between 10-20% from the prices paid in March.7 This

---

1 AIBR, 12 June 1883, p. 239.
2 Mercantile Gazette, 17 October 1885. Evening Star, 1 January 1870.
3 Oamaru Times, 14 September 1865.
4 Evening Star, 27 December 1869. Lake Wakatipu Mail, 3 October 1867.
5 Rattray Papers, OESM.
6 See the evidence of James Rattray in White v M'Kellar, Otago Guardian, 5 November 1873.
7 Hawke's Bay Herald, 16 July 1869.
forced the value of wool below the cost of production, "completely paralysing" the pastoral industry.\(^1\) It has been suggested that increased competition from cotton after the American Civil War contributed to the crisis.\(^2\)

Growers like Herbert Meyer had unexpectedly to find thousands of pounds to cover handling expenses and interest on advances. "Properties fell in value immensely and became unsaleable... Not a station in the country was paying."\(^3\)

The London sales saw no real improvement in 1870. "Big" John McLean, one of Otago's wealthiest squatters, was driven to seek relief from his bank. Unable to recover a private advance he had made to Donald McLean of Hawke's Bay, "Big" John feared he would be pressed into a position that would "considerably embarrass" himself.\(^4\) "I am really much behind with my Bank."\(^5\)

These pressures gave a further nudge to the elimination of the earlier runholders, a process that had gone on steadily since the turn of the decade. The demands of closer settlement and the increasing capital requirements of the industry had conspired to remove many early squatters. A Scottish businessman reported that squatters were "passing through the court as fast as they can."\(^6\)

The failure of so many of the pioneer sheepfarmers elicited considerable sympathy. Even the Echo paid grudging tribute to the men who, in the early 1860s, played billiards at the Northern Hotel in Oamaru and drew cheques upon their Dunedin agents with stylish abandon:

> It would be a waste of time to follow our runholder of 1861 any further; in fact, we hardly know where we should find him. Certainly not in the bankruptcy court, for, with a few marvellous exceptions, all who figured on the map of "pastoral runs" at that period have gone through it, and disappeared from the scene of their former glories. Some have bolted, some are fencing, some are passing flax through their machines as rapidly as they formerly passed their "orders"...\(^7\)

---

\(^1\) Hawke's Bay Herald, 16 July 1869.
\(^3\) Herbert Meyer, "Memories of Pastoral Life", Ch. 11, p. 6.
\(^4\) John McLean to McLean, 21 September, 13 October 1870; 9 January, 11 March, 3 April 1871, McLean Papers, MS 32, Alexander Turnbull Library.
\(^5\) John McLean to McLean, 13 October 1870, McLean Papers, MS 32, Alexander Turnbull Library.
\(^6\) ODT, 22 May 1866.
\(^7\) Echo, 9 April 1870. For an Australian parallel, see 20 May 1871.
There is a strong hint of exaggeration in this, but it is certainly true that many runholders or former runholders had become bankrupt or had registered their insolvency by the time the article was written. Appendix 24 identifies more than thirty who were in financial straits in this period. Some well-known men were among the unfortunates, and the total is sufficiently high to cast doubt on Eldred-Grigg's conclusion that "the path for most landowners seems to have been fairly smooth."¹

The waning gold revenue and the problems of the squatters resulted in hard times for Dunedin. Ritchie arrived in the colony only to find credit extraordinarily tight. A "universal and deep-rooted distrust" prevailed within the mercantile community: "It is perfectly evident that there will be a fearful blow up ere long... They are speaking of the most respectable houses being shaky".² He complained to James Morton that "it is perfectly sickening to do business here. It destroys happiness altogether."³

The local situation was made worse by persistent uncertainty in the London money market and rumours of a European war. In July 1866 the Bluff telegraph brought terrible news from home. Overend Gurney & Co had failed. This great discount firm was a household name and a landmark in London.⁴ "The shop on the corner", as it was familiarly known, had once been regarded as the greatest instrument of credit in Britain.⁵ The business had been built up since the beginning of the century by cautious Quakers, "men whose names had been associated with philanthropy and probity as much as with substance and safe trading".⁶ They made colossal fortunes. As the original partners died or retired their shares and capital were valued at fabulous sums. Between 1855 and 1860, the firm divided average profits of £192,000.⁷

In subsequent years, however, the directors dispensed with the sound principles of their predecessors. The assets of the firm became locked up in securities that promised to return a high rate of interest, but which were greatly overvalued and incapable of conversion in an emergency. It had changed from a discount house to a finance company. Less than a year before the collapse, the

¹ S. Eldred-Grigg, A Southern Gentry, p. 46.
² Ritchie to Lewis Potter, 16 February 1865, p. 3, Ritchie Papers.
⁵ The Times, 11 May 1866.
⁷ The Times, 11 May 1866.
firm was sold to a limited company for £500,000. Its shares were eagerly snatched up, although the business was already insolvent. The vendors estimated a deficiency of £3,117,000 would need to be allowed for, mainly on thirteen large accounts. When the new management attempted to liquidate debts, as they could not avoid doing, a rush to recover deposits was the inevitable result. On the eve of the disaster, the directors took a cabful of their books to the Bank of England in the hope of obtaining relief, but nothing could be done. Overends closed its doors the next day and in the weeks that followed over twenty banks and large firms were brought down in the ensuing panic. Shareholders had to find £4m to cover the liabilities of Overend Gurney & Co and the liquidation took eighteen years to complete.

This crisis, one of the worst in British financial history, extended the depression in Otago. After the "Black Monday" on which Overend Gurney & Co failed, Lombard Street was blocked by "a heaving, tumbling crowd." Two months later, when news of the catastrophe reached Dunedin, there were similar scenes around Princes Street and the muddy thoroughfare of Manse Street. The Bank of Otago was besieged for a day by anxious investors trying to recover their deposits. Thomas Brown viewed the panic with disgust and thought that it had been confined to "ignorant people". The Bank of Otago survived, albeit in a feeble condition. The New Zealand Banking Corporation, on the other hand, shut its doors immediately and never re-opened for business.

The supply of money in Dunedin dried up in response to the London situation and bankruptcy cut a broad swathe through the ranks of businessmen. W.H. Clayton, architect and father-in-law of Julius Vogel, filed his schedule in 1866. Among the insolvents were Henry Houghton (shipowner and secretary of the Chamber of Commerce), Richard Henry Leary (merchant and twice Mayor of Dunedin), William Gregg and H.E. Glennie (assistant manager of the Bank of Otago). Stephen Hutchison was brought down by the collapse of the New Zealand Banking Corporation, as was William J. Dyer, MPC for Tokomairiro.  

1. It owed £23m in 1865 and its assets were £20m of mainly bad and doubtful debts. ODT, 3 April 1869
2. ODT, 1 January 1867.
4. ODT, 3 March 1866. AIBR, 14 September 1886.
5. The Times, 12 May 1866.
7. Otago Witness, 26 August 1865 (Leary). Deed of Assignment 178, 7 July 1871, Dunedin High Court (Gregg).
Shadrach Jones, "perhaps the best known man in Otago", failed with heavy debts outstanding. Edward de Carle, a well-known Melbourne man with multifarious business interests, suffered the same fate in 1866. The de Carles found their Otago sojourn a less than happy experience. Edward told an enquirer: "I could not for one moment think of advising you to come here... as for myself I hate the place and sincerely wish I had never seen it. I should have done far better to stay in Melbourne." For his wife, Annie, the company of her fellow citizens brought no comfort for their financial worries:

Otago is the place for realities and those of a very rude and rough kind. I greatly fear my tastes are becoming quite as anti-Caledonian as those of Dr Johnson were. Certainly the Scotch in Otago exhibit themselves in a very unamiable light although they have many sterling qualities.

It may have been consoling for the de Carles and others who suffered the indignity of bankruptcy to find themselves in good company. Frederick Moss, a wool and tallow buyer, had been Provincial Treasurer shortly before filing for bankruptcy. He later continued his business and political career in Auckland and represented Parnell in the General Assembly from 1876-90. R.H. Forman, the sheriff and a recent mayoral candidate, was stopped at the Heads on his way to Sydney and brought back to make explanations to the bailiff. He was also the vice president of the Dunedin Club and was by no means the only member of that body to suffer financial embarrassment. The president and two members of the committee were also pulled under. By 1871, roughly one in four of the members who were on the Club list in 1863 had become bankrupt or insolvent. The Dunedin Punch printed a facetious obituary stating that the Club had died of "the stationary disease of pleuro-no-money-ah."

Insolvency became woven into the literature that emerged from this period. Alan Clyde's poem "Shadow and Shine" relates the alacrity with which the

---

1 *Otago Witness*, 6 October 1883, p. 9. He owed £18,000 to the BNZ, £17,000 to the Colonial Bank of Australasia, £9,000 to John Sibbald and £3,000 to W.H. Reynolds. *Otago Gazette*, 1864, p. 145.
2 *Bruce Herald*, 12 April 1866.
3 De Carle Letterbook, p. 59, 20 June 1867, OESM.
4 De Carle Letterbook, 19 September 1867.
5 *Oamaru Times*, 15 February 1866.
6 These men were Hyde Harris, R.B. Martin and H. Driver.
7 See Appendix 25, Volume Two.
8 *Dunedin Punch*, 26 August 1865.
spendthrift son of a gentleman seizes upon bankruptcy as the solution to his worries. In the tale of "Mr and Mrs McQueer", a husband and wife with no means pass as gentry, living a life of extravagance and shallow piety on the support of borrowed money. When their creditors will be bled no longer, they coolly file their schedule and depart:

This is the way and this I may say
Is the coin their debts are paid in:
There are many more on Otago’s shore
Who take the same plan to settle their score
Not one hundred miles from Dunedin.¹

On returning to Dunedin in 1865, Thatcher was struck by the decline in the city's prosperity and recorded his impressions in a song entitled "Sights in Dunedin":

You’ve lots of hotels here but very few pay
The landlords are very oppressive;
Publicans burst up I am told every day,
For the rents in this town are excessive.
In vain do the barmaids tog up very smart,
Their shy glances no one is heeding
They used to bring custom, but, Lor’ bless your heart!
There’s no money left in Dunedin.²

The local Punch made many jokes on the phenomenon, including the following stanzas:

The Banks are getting shaky
And the merchants they are quaky:
Because cash is rather short
In Dunedin O!

His Honor’s speech is dreary,
And we all are getting weary,
Of the last new thing in Bankrupts
At Dunedin O!³

¹ Alan Clyde, "Te Kooti & Other Poems", Dunedin, 1872.
² C.R. Thatcher, Thatcher's Otago Songster, Dunedin, 1865.
³ Otago Punch, 22 July 1865.
So few people escaped entirely the effects of the depression in the 1860s that it was difficult to treat the insolvent or bankrupt as a social pariah. Men who suffered "reverses" were generally forgiven as being unfortunate rather than delinquent. Their peers were too conscious of their own financial vulnerability to behave less charitably. During 1865 and 1866, daily encounters with insolvency in some shape or form were hard to avoid. Ritchie, for example, discovered that his landlady was in trouble and feared his trunks might be seized with her possessions. One of his fellow boarders hid in an outhouse for a whole day to avoid the bailiff.1

The old guard of the "inner circle" was also caught up in the distress. William Reynolds was freely spoken of as being insolvent.2 The causes of his troubles are not clear, although he lost money by the New Zealand Banking Corporation, the Otago Steam Ship Company and the Peninsula Steam Boat Company. He also appears as a substantial creditor in a number of bankrupt estates and it is possible that he suffered through his brother's unfortunate runholding venture. George McLean's reputation was tarnished by the bad debts that the Bank of New Zealand had contracted, and it seems that he resigned the management of the Dunedin branch under a cloud.3 E.B. Cargill's firm, which McLean was soon to join, was also understood to have been on the point of collapse.4 Driver was pushed into bankruptcy at the tail end of the depression in 1871. The losses suffered by Dalgety & Co nearly resulted in that firm's withdrawal from Otago and Southland, and left Tolmie and Rattray unable to liquidate their debts to the partnership.

Although all of these men carried on to lead the business community into the next decade, one of their most illustrious colleagues did not. John Hyde Harris's resignation as Superintendent in 1865 was one of the great sensations of this period. Harris made little secret of the fact that he had lost some £28,000 in bad investments during the previous four years.5 Before these setbacks, he was one of Dunedin's pre-eminent businessmen. So well known was he that on returning from Europe in 1877 he found it tiresome having to shake hands "with some hundreds" every time he went to town.6 It was said that in earlier times, Hyde

1 Ritchie to his mother, 19 October 1866, p. 163; Ritchie Diary, 22 October 1866, Ritchie Papers.
2 Ritchie to James Morton, 14 June 1865, p. 31, Ritchie Papers.
4 G. McLean, The Southern Octopus, p. 20. McLean's surmise seems to accord with earlier observations about the debt levels of the firm at this period.
6 Hyde Harris to his mother, 8 March 1877, Hyde Harris Papers, Hocken Library.
Harris and "Money Allen" owned half of the north end of the city between them. This was no great exaggeration: in 1865 Harris still had eighty-seven town sections to give as security for a mortgage of £10,000 from the Otago & Southland Investment Company.¹ In partnership with Edward Lee, he had also been one of the earliest runholders in the Province.

Hyde Harris delayed filing a deed of arrangement until 1868, when he conveyed what remained of his estate to Cargill, Turnbull and Driver as trustees for his creditors.² He continued his speculative ways in spite of this hard lesson, but his later business ventures brought him no lasting prosperity. Towards the end of his life, he eked out a living on a few hundred pounds a year, selling his art works and pawning his household effects to the Jewish moneylenders.³

Ritchie has left a typically vivid picture of his experiences in the depression. For Ritchie and George Gray Russell, the worst moments came after the Overend crisis. Hankey’s Consolidated Bank was one of the London banks forced to suspend payment. The Bank’s predicament was caused by a rash decision to take over the insolvent Bank of London, an act that The Times described as "an impulse almost of insanity."⁴ James Morton, through Frederick Alers Hankey, had arranged large loans with the Consolidated Bank to finance landbuying in New Zealand, and the Bank’s suspension almost spelt disaster for the associations later involved in the New Zealand & Australian Land Company. Many in Dunedin anticipated that these syndicates would be forced to liquidate their properties at whatever price could be obtained, thus depriving Russell Ritchie & Co of their major client. But Morton managed to arrange alternative accommodation, despite the extreme tightness of credit, thus enhancing his reputation for financial wizardry.⁵

This afforded immense gratification, not to say astonishment, to interested parties in Dunedin, some of whom had worries enough of their own. Rumours circulated as to the continuation of Douglas Alderson & Co after it became known that Pakenham Alderson was a partner in the collapsed firm of Wilson Tritten & Co.⁶ Banks refused for a time to discount Douglas’s paper. Suspicious eyes also focused on Russell Ritchie & Co. Russell noticed that people were looking at him

¹ Deeds, 13/1152.
² Deeds, 35/871.
³ See Appendix 26, Volume Two.
⁴ The Times, 29 May 1866.
in the street "with a sort of pity mixed with wonder that such a swell should have so quick an overthrow." He and his young partner were apparently not in immediate danger, but the sense of powerlessness, of being at the mercy of events taking place half the globe away, was difficult to endure. While the town waited painful weeks for the English mails, merchants lived in fear that partners and correspondents might have been implicated in the crash. Ritchie confided to a friend: "We have had miserable times of it for the last month or two. The very earth seems going from under our feet so dreadful are the news."2

The mid-1860s were not happy years for the business community. It was a demoralising experience for a new arrival like Ritchie to find himself pitched immediately into this environment of collapsing business confidence. He wrote home in July 1865: "People are failing all round and the commercial atmosphere is severely depressed. This is not without effect on one's spirits and I feel badly."3 The fragility of a young colonial economy was dramatically exposed and the lessons offered reinforced the cautious, analytical approach to business that became the hallmark of Ritchie's management. But many others, particularly those who had known the sudden ups and downs of the Victorian economy, believed the depression could only be a stutter in the generation of wealth. It was simply a readjustment after the boost provided by the goldrushes. A colony so well endowed with exploitable resources was bound to progress and good times would soon return. When conditions next favoured speculative investment there was a strong tendency to engage again in a plunging style of business, as though the local economy would in future be insulated from similar recessions.

Economic Conditions: 1871-1878

With the decline in revenue generated by the goldfields, the Otago economy depended on a revival in wool prices to bring it out of depression. There appears to be no satisfactory way of determining the average auction prices obtained for New Zealand wools in the nineteenth century. The figures contained in the Statistics represent a declared or estimated value, which seems to give only a rough indication of the actual price received on the London or Melbourne markets. The movements of Australian wool values may be regarded as a fairly reliable

---

1 Ritchie to Tom, 4 September 1866, p. 81, Ritchie Papers.
2 Ritchie to Muirhead, 18 August 1866, p. 124, Ritchie Papers.
3 Ritchie Diary, 1 July 1865, Ritchie Papers.
guide and these have been analysed in Barnard's detailed study of the wool market between 1840-1890. The various classes of wool were subject to their own special conditions of supply and demand. It is difficult to chart price fluctuations accurately because these varied according to wool type, and the data for some types is unreliable.

The more general trends are nevertheless clear. Wool values increased in the late 1850s and continued almost at a plateau until 1865-66. This was followed by the sharp drop between 1868 and 1870 that caused such consternation in Otago. The recovery was equally dramatic. Its exact causes remain vague, but they appear to be related to the impact of the Franco-Prussian war upon British and continental manufacturing - the reduction in civilian consumption being "more than counterbalanced" by the demand for blankets and army clothing.

This was the upper limit for wool prices in the nineteenth century. With a brief interruption in 1880, the trend after 1873 was downwards. But in Otago, it was this sharp lift in returns to woolgrowers, rather than the borrowing policies of the government, that seems to have triggered an upswing in other branches of commerce and underpinned the prosperity of the mid-1870s. A decade later, the *Melbourne Argus* looked back wistfully to these years and commented, "there have probably been few industries in the world which have, on the average, given such high returns for the capital invested in them as has wool-growing in Australia since 1870."

Those directly involved in the wool industry fared well during this period. In 1872, Murray Roberts & Co made a profit of more than £10,000. Dalgety & Nichols' net profit for the eighteen months ending March 1874 was £57,726. Russell Ritchie & Co made average annual profits of £11,000 for the years 1873-76, and the eighteen-month period before September 1873 yielded an even greater

---

6. Quoted in ODT, 18 September 1885.
7. George Roberts to John Roberts, 26 June 1872, Roberts Papers.
8. "History of Dalgety & Company, 1880-1945", Micro MS 749, Ch. 3, p. 7, Alexander Turnbull Library. Much of this figure was made up of profits from the sale of stations that had fallen into the firm's hands during the depression.
Part Two, Chapter One

return.\(^1\) To Ritchie's profound irritation, William Tolmie was able to boast a gross revenue of £25,000 in 1874 and a net income of £10,000: "He is a very big man now but an inferior sort of fellow".\(^2\) For individuals like Driver and the MacLean brothers, the improved conditions gave them an opportunity to re-establish themselves in business. Cargills & Co, however, was one firm that squandered the opportunity to strengthen its position and it would pay dearly for this folly in the next decade.

With wool prices high, there was an access of enthusiasm for pastoral investments. At least fourteen sheep stations were advertised for sale in Otago papers during 1873.\(^3\) Noting these transfers, the *New Zealand Herald* observed:

> Whether it is feared that this class of property is at its top value and will not much longer remain so... we know not, but Dunedin men are getting rid of their grazing lands and flocks, and Victorian capitalists, as a rule, are the purchasers.\(^4\)

Leasehold values climbed rapidly. Robert Campbell bought West Dome and Wyndley stations for £16,000 and was at once offered £500 to make over the purchase.\(^5\) In the same way, William Tolmie immediately made £2,000 on one of his acquisitions.\(^6\) In 1874, "Big" John McLean sold Morven Hills to "[t]hat whipper snapper", Colonel G.S. Whitmore.\(^7\) He was backed by the NZLMA Co, an institution that did much to foster the spirit of speculation. The price of £128,000 (including 140,000 sheep) was generally considered too high, but Whitmore soon resold it to James Cogle for £2,000 more and, after one shearing, Cogle transferred it to Dalgety's for an even greater price.\(^8\) Desirable properties still fetched high bids at the end of the decade. John Douglas bought Station Peak from Campbell in

\(^1\) Ritchie to Russell, 27 September 1876, p. 114, Ritchie Papers. In 1874 Ritchie encouraged his partner to take an interest in a proposed new club: "It is as well that your name should appear occasionally in the place since you are taking £10,000 a year out of it." Ritchie to Russell, 13 April 1874, p. 57, Ritchie Papers.

\(^2\) Ritchie to Russell, 23 June 1874, p. 88, Ritchie Papers.

\(^3\) Not all of these were put up for auction, but the following were advertised: Spylaw (sold to Fitzclarence Roberts for £16,500), West Dome and Wyndley (sold to R. Campbell for £16,000, i.e. £2,000 above the reserve), Wanaka West and Wanaka East stations (both sold to Henry Campbell, the latter for £10,000), Hyde Home (bought by W.A. Low for Thomas Constable Low at a price of £19,800), Eyre Creek, Morven Hills, Barewood, Manipouri, Rugged Ridges, Wairaki, Glenure, Avondale and West Taieri.

\(^4\) Quoted in ODT. 14 February 1873.

\(^5\) ODT. 30 January 1873.

\(^6\) Echo. 22 February 1873.

\(^7\) Ritchie to John Hunter, 16 February 1874, p. 237, Ritchie Papers.

\(^8\) R. Pinney, *Early Northern Otago Runs*, p. 143. Charles Nichols had a one third share in the run.
1879 for £100,000. The pastoral empire of Robert Campbell & Son grew to vast proportions during the 1870s. At the start of the decade, after buying up runs thrown on the market during the depression, the Campbells owned or had a share in well over 200,000 sheep.

Larnach and Driver also made large purchases, starting with Longridge and Eyre Creek in 1873. Driver had managed to salvage £6,000 from the liquidation of Driver & Stewart - as Ritchie observed, "not a very large capital on which to go in to some £40000 or £50000 of station property". The pair did not stop there. Assisted by a loan of £25,000 from Joseph Clarke and £10,000 from the NZLMACo, they soon acquired Conical Hills, Benmore and Dome stations, the last two properties being the estates of Larnach's deceased friend, George Webster. Driver went on to make other investments. In 1877, he joined two Oamaru merchants, Fleming and Hedley, in the purchase of the Seadown estate in South Canterbury. The price paid for this 9,235-acre estate was £115,000. A year later, Driver bought the Parker brothers' valuable estate at Waihao.

Tolmie was not to be outdone by his two friends. To his valuable freehold estate at Wairuna, he added the leases of Clifton and of Merrie Creek, Islay, The Cairn, and Waipahee. "He walks about as a capitalist now", scorned Ritchie, "& is fully more objectionable than ever." This spending spree surprised those who knew the background of his departure from Dalgety's, as he was then understood to be hard up. Ritchie wrote that "he does nothing but buy, buy... I fear he is not providing for a rainy day and if bad times came again would be as nearly cooked

---

1 Morning Herald. 19 July 1879. This sale may not have been completed.
2 In 1869, it was reported that Robert Campbell senior had recently spent £120,000 on station properties. Hawke's Bay Herald. 30 November 1869. The stations acquired by the Campbells in the 1870s included: Wairaki, The Plains, Galloway, Burwood, Mavora, Greenstone, West Dome, Mt Linton, Station Peak, Benmore and Bushy Park. P. Chandler, Glenaray. Invercargill, 1984, p. 113. In 1877, Campbell possessed 500,000 sheep and the Bruce Herald (22 May 1877) thought him the richest man in the colony.
3 Arrow Observer. 23 May 1873.
4 Ritchie to John Hunter, 3 December 1874, p. 314, Ritchie Papers.
5 Mercantile Gazette. 17 June, 8 July 1876. NZLMACo Minutes, 4 April 1876. Deeds, 55/281, 70/342. During the tenure of Larnach and Driver, the freehold of Conical Hills amounted to 5,133 acres. CT 28/109-118.
6 ODT. 20 October 1877. NZLMACo Minutes, 2 October 1879, 21 April 1880.
7 The 9,500-acre estate had recently been withdrawn from auction at £9-10 per acre. Morning Herald, 6 January 1878.
9 Ritchie to Russell, 5 June 1874, p. 84, Ritchie Papers.
as he was before."1 Tolmie did not have long to enjoy his affluence. In 1872 he promised the Taieri electors he would "bury his bones in Otago".2 His pledge was fulfilled rather sooner than he may have liked, for he was carried off by lung disease in 1875. At the time of his death, his freeholds in South Otago amounted to some 22,600 acres.3

Runholders now found it easier to procure money for buying freeholds, either within the hundreds or by special arrangement with the Provincial Government. Their willingness to lay out money in this way changed the tone of political relations in the Provincial Council. A number of large purchases occurred around this time. Some were for the purposes of speculation; others to protect areas of back-country held under lease. The apparent soundness of land as a security deceived many bankers. It was difficult to estimate safe margins within market fluctuations when prices tended ever upwards and stiff competition prevailed between the banks.

The position of the Canterbury & Otago Association illustrated how quickly land values had advanced. Much of its land had been bought at £1 or even 10s an acre. In the mid-1870s it was thought the Association could have sold, if it chose, thousands of acres of unimproved land from four to five pounds, while improved land was fetching ten or twelve pounds an acre.4 John Douglas, who had bought much of his land at about the same time, was estimated by Ritchie to be worth around £80-100,000.5 Prime land around Oamaru and Taieri sold for thirty to fifty pounds an acre.6 In 1874, H.J. Miller bought 3,129 acres at Awamoko at £3 3s an acre. This land had been bought from the government two and a half years earlier at the upset price of £1 per acre.7

Some capitalists did not confine their investments to the south. John Douglas and Robert Campbell went on a landbuying expedition to the North Island. Campbell acquired the Oroua estate in the Manawatu, and Douglas spent £30,000 on land near Camarvon and came back full of stories. "He is madder than ever", wrote Ritchie, who had long doubted that Douglas was entirely *compos mentis*.8

---

1 Ritchie to Russell, 9 February 1875, p. 211, Ritchie Papers.
2 Echo. 24 August 1872.
3 CT 31/26, 37/296.
4 Ritchie to John Hunter, 26 November 1873, p. 222, Ritchie Papers.
5 Ritchie to John Hunter, 3 February 1874, p. 231, Ritchie Papers.
7 Hawke's Bay Herald, 14 April 1874.
8 Ritchie to Cunningham Smith, 5 September 1868, p. 247; Ritchie to Russell, 17 September 1874, p. 148, Ritchie Papers.
John Roberts acquired 8,600 acres in Hawke’s Bay.\(^1\) In 1873, the *Napier Telegraph* announced that £140-200,000 of “southern” capital was about to be invested in that province as a consequence of the rise in wool.\(^2\)

George Gray Russell’s judgement remained cool during the excitement. In 1872, he provided Lewis Potter of Glasgow with a succinct but long-sighted analysis of the position of the wool industry:

> Station property has risen in value of late and one or two stations have changed hands at high prices. We doubt if the present state of things is likely to hold. We may have good prices for a year or two but the tenure of the runs is uncertain and a great deal of Freehold will have to be bought to secure them and this will have to be done with borrowed money and a fall in the price of wool may [occur] at a time when properties are pretty heavily loaded with debt and runholders [will] have to go through the same ordeal which has been coming about periodically during the last 20 years.\(^3\)

Late in 1874, he remarked with his usual prescience, “the tide of prosperity out here does not seem to slacken yet, tho’ I fancy it is about its height”.\(^4\) Wool prices eased in the second half of 1875 and dropped suddenly in 1876, causing some disquiet in the business community. “It is wonderful how soon a drop in wool tells”, mused Ritchie.\(^5\) For all this, the land mania continued unabated in some locations, especially in Southland and South Canterbury. Some aggressive purchasing took place in the latter district. William Moody, for instance, bought eight thousand acres around a block belonging to Campbell on Station Peak, whereupon Campbell came down and bought a belt that encircled Moody.\(^6\) A

---

2. Quoted in *ODT*, 7 October 1873.
3. Russell to Lewis Potter, 7 October 1872, p. 182, Ritchie Papers. (Grammar altered.)
4. Ritchie to John Hunter, 3 December 1874, p. 311, Ritchie Papers.
5. Ritchie to Russell 26 May 1876, p. 61, Ritchie Papers. Ritchie told W.H. Teschemaker “Dreadful news about wool. The reclamations will be very serious. I fear we are in for a term of bad years which will press hard on this colony tho’ individuals are as a rule in a much stronger position to bear it than in 1868/70.” (Ritchie to Teschemaker, 29 July 1876, p. 96, Ritchie Papers.) W.C. Roberts to Larkworthy, September 1875, Larkworthy Papers.
6. Ritchie to Russell, 25 September 1877, p. 324, Ritchie Papers. Moody was manager of the Meat Preserving Company at Kakanui and MPC for that district in 1875. Ritchie believed he was speculating with the company’s funds and heard rumours that he treated his wife very badly. Ritchie to Russell, 15 September 1876, Ritchie Papers.
similar battle was waged in the Hakataramea between John McGregor and the New Zealand & Australian Land Company.1

Suburban land values increased at an astonishing rate.2 Larnach, James Smith, G.W. Elliott and William Kennedy were among the most active of the many speculators. Great sums of money were at stake in some of their transactions. Elliott offered for sale twelve acres along the Port Chalmers Railway and received £4,262 for less than the total area.3 He bought two acres near Tolmie's house at Anderson's Bay for £1,760.4 James Smith purchased forty to fifty acres at Forbury for £75 each and Ritchie thought that this investment would double within a few months.5 In 1874 Smith bought two sections of reclaimed land near the docks for nearly £2,000. At the same auction, George Proudfoot bought a section that was still under water for £1,250.6 Captain Boyd sold 40 acres in North East Valley for £100 per acre.7

Larnach told Ritchie in 1874 that he had never made less than £9-10,000 a year in land speculation.8 That year, William Kennedy bought Larnach's share in their joint investments, giving Larnach a net profit of £13,500.9 Kennedy made a great deal of money by dealing in land on his own account, chiefly in the southern part of the city. Some sections in his South Dunedin township sold for over £100.10 He subsequently moved to New York and later retired to London. At the time of his death in 1888, this former publican owned property worth £32,989 in New Zealand, besides assets of £31,973 in England.11

Dunedin residents had the apparent abundance of money further impressed upon them by a flurry of construction. "You would be astonished at the growth & improvement of this place", Ritchie told his absent partner, "[b]uilding goes on incessantly in all directions".12 It was said of Dunedin in 1875 that "You may count

1 R. Pinney, Early South Canterbury Runs, p. 120.
2 Dunedin became so infested with land agents that the correspondent of the AIBR (September 1877) wondered how they could all make a living. Quoted in C.G.R. Simkin, The Instability of a Dependent Economy, London, 1961, p. 160.
3 ODT, 9 April 1877. In 1873, 104 sections at St Leonards were sold for £4,000. (ODT, 6 May 1873.)
5 Ritchie to Hunter, 26 November 1873, p. 222, Ritchie Papers.
6 ODT, 20 May 1874.
7 Ritchie to John Hunter, 26 November 1873, p. 222, Ritchie Papers.
8 Ritchie to Russell, 23 June 1874, p. 90, Ritchie Papers.
9 Ritchie to Russell, 23 June 1874, p. 90, Ritchie Papers.
10 ODT, 21 April 1873.
11 Probate File 1675, Dunedin High Court. ODT, 30 August 1888.
12 Ritchie to Russell, 16 February, 1875, p. 216, Ritchie Papers. In a letter to Russell on 23 April 1875 (p. 35) he wrote, "The bustle from the drays round our place... is tremendous."
a dozen new houses in course of erection in any five minutes' walk'. Some of Dunedin's finest dwellings were built during this decade. Ritchie, Charles Nichols, Robert Gillies, Francis Fulton, Hugh MacNeil and George Gray Russell all commissioned gracious homes for themselves. Charles Ritchie Howden started the spectacular "Pomphrey Court" and his no less adventurous friend, John McGregor, built "Marinoto". Walter Guthrie bought E.B. Cargill's old house from the Jones trustees and announced his plans for converting it into a more elaborate residence. Ritchie noted that he had taken to driving a big carriage. Joachim bought an acre of ground in the same location for £2,420. James Macassey's new home was estimated to cost a comparatively modest £1,484, a figure that was nevertheless beyond his means.

Two of the most talked about homes were, of course, the "castles" erected by Larnach and E.B. Cargill. Larnach visited the Peninsula on his first Sunday in Otago and decided at once to build there. "I thought I would have a buck into it and I did." He intended his new home, "The Camp", to serve as "a monument to my enterprise." Many thought it an absurd extravagance. The site was exposed, a long way from town and, as locals tried to warn him, almost inaccessible even to a goat. Ritchie doubted that the resale value of the property would cover more than the cost of the land and materials.

Cargill chose a dramatic site above St Clair for the unprepossessing mansion he called "The Cliffs". He also constructed a fine new suite of offices. Ritchie found the behaviour of his friend increasingly hard to fathom:

I feel sure he just flies off into one thing & another whenever there is a little spell of good times & gets hard up... Ever since Joachim arrived Cargill seems inclined to play!

---

Ritchie suspected that Mrs Cargill was the impelling spirit behind much of her husband's spending - "she is not to be held in". It was clear, at any rate, that the new house was "a dreadful sink of money". Ritchie estimated it would cost £8,000 when finished and expressed his reservations in a letter to Russell in 1876:

Cargill is as cocky as ever, but I can't see why. He is pushing on his Castle which must be swallowing up a mint of money - money which can never come back. Both Larnach Castle and the Cliffs would figure very small in value among assets of a firm which had to fall back on reckoning up their securities.

Cargill appeared to be very unsettled at this time. Soon after "The Cliffs" was completed he took his family to England and the property was put up for sale. It was whispered that he might be prepared to sacrifice half the cost of its construction. Cargill either changed his mind or received no satisfactory offer, for the house was not sold.

One sign of the rapid change in business conditions was the accelerated rate of company formations. Seventy-three companies were registered in Dunedin in the 1870s, compared with twenty-six in the previous decade. Among the many new ventures were three of Otago's most important companies in the nineteenth century: the National Insurance Company, the Colonial Bank and the Union Steam Ship Company. Although the Union Company had to be floated with the assistance of Scottish capital, there was much enthusiasm for National Insurance Company scrip and its capital was subscribed three times over. The same month in which National Insurance was registered, three other sizeable companies were also formed - "an undoubted sign of our prosperity", wrote the ODT. The shares of these new concerns traded briskly in the middle of the decade. Colonial Bank stock, for instance, jumped 40% in value between 1876 and 1877.

1 Ritchie to Roberts, 21 June 1875, Roberts Papers.
2 Ritchie to Russell, 21 November 1876, p. 147, Ritchie Papers.
3 Ritchie to Russell, 14 October 1876, p. 122; 21 August 1876, p. 97; 21 November 1876, p. 147, Ritchie Papers.
4 Ritchie to Russell, 29 December 1877, p. 7, Ritchie Papers.
5 Register of Dunedin Companies, Hocken Library.
6 G. Parry, Underwriting Adventure, p. 4.
7 ODT, 2 October 1873.
Although the number of large companies registered in Dunedin did not taper off after 1878 as suddenly as might be expected, some of the ventures floated in the next decade cannot be regarded as reflections of business confidence. A number were existing businesses whose owners were forced to seek additional capital because creditors were unwilling to continue their support. Surprisingly few carried on into the next century. (See Part Five.)

The promotion of companies serves as a guide - although not an entirely satisfactory one - to the status of men within the business community. It is reasonable to assume that the holding of many directorates signified high standing in the business world. But it is not safe to assume that the converse was invariably true, for a number of businessmen possessing undoubted wealth appear to have shown very little interest in company ventures.

The available data has serious limitations. It is generally easy to determine the provisional directors and often the membership of the first boards either from the relevant company file or from published prospectuses. Later changes in the composition of directorates are more difficult to ascertain. In many cases, the meetings of smaller concerns were either not reported in the press or received only intermittent coverage. Bigger companies are not such a problem in this respect because their annual reports have usually survived.

The raw information is variable in quality, but it may be organised in several ways. Thirty-seven companies with a nominal capital of £50,000 or more were registered in Otago between 1860-90. Appendix 27 ranks the men who were founding directors of more than three such companies. If we look more generally at the directorates and provisional directorates of companies of all sizes during the nineteenth century, including some registered outside the Province and some that were not floated, a slightly different pattern emerges. Directorates of Otago’s four largest companies - the Colonial Bank, National Insurance, Union Steam Ship Company and Westport Coal Company - are plotted in Appendix 29.

These appendices suggest that company promotion was another aspect of business activity over which members of the "inner circle" had a strong hold. As might be expected, this group was well represented on the boards of the major

---

1 See Appendix 28, Volume Two. It was a common advertising ploy to include a large number of prominent names on provisional directorates. These men often took only a nominal share in the companies concerned and played little part in their subsequent management. The inclusion of provisional directorates may be justified on the ground that the invitation to lend one’s name in this way indicates standing in the business community.
companies registered in Otago, and it possessed a virtual stranglehold over the management of the four most important corporations in this period.

In focusing on the early 1870s, it is important to recognise that we capture the commercial world in the midst of a major transition. The miniature business community of the 1850s had been substantially enlarged during the goldrush period, but this new structure possessed little stability. The subsequent depression resulted in another significant reorganisation, with large numbers of traders and businessmen either leaving the Province or being stripped of their newly-acquired wealth. By the turn of the decade, leadership in business affairs was left in the hands of a few of the pre-goldrush "Old Identities" and a much larger group of new arrivals, most of whom had previously lived in Australia. The commercial environment that had shaped the experience of these men in the 1860s was characterised by radical change in the opportunities for accumulating capital and in the composition of the business community.

Although the provincial economy was still fast in the grip of recession in 1870, a sudden improvement was imminent. This had a considerable impact on the visibility and internal cohesion of the business community. It will be argued in Part Three that the pressures upon the pastoral industry encouraged certain members of the business community to pursue a political programme that brought upon them a great deal of public attention. Freed from the restraints of depression, much the same group took the lead in a new phase of economic expansion. The prominence of these men was emphasised by their activity in the formation of new companies and, in many cases, by their displays of wealth.

At the same time, the small-scale entrepreneurial capitalism of the 1860s was gradually giving way to a new phase in Otago's business development. The next decade saw the emergence of larger firms and companies - which in some cases monopolised their specialist fields - and a sustained injection of foreign investment capital. The natural result was that the members of the small cabal discussed in Part One expanded their control over the economy and found their interests becoming interlocked to a much greater extent. In this respect, the "business community" of the 1870s was perhaps more deserving of that name than any earlier grouping.
CHAPTER TWO - THE SOCIAL DEVELOPMENT OF THE BUSINESS COMMUNITY

Recent analyses of Otago's social structure in the nineteenth century have depicted the leaders of the business community as forming part of an "elite". Here, the concern has been to identify a business community. Members of this group were not selected because of their social position, but by a two-fold process involving the identification of the major limbs of the economy at that time and an assessment of the leading figures within each of those limbs. This obviates the need to investigate what has been described as the "stratification system". By adopting the procedure outlined above, it is possible to examine the behaviour of the business community without such a broad inquiry.

A survey of the existing literature suggests that these approaches identify more or less the same group of people. Angus has written:

Above the middle classes there was another group, the urban elite. It comprised merchants and agents for major companies, a few large landowners, and the major company investors, and it made up about 4% of the adult male population. This elite formed a distinct group at the top of the urban class structure, comprising those who owned the most land, directed the most companies and controlled the greatest flows of investment. A conspicuous group of merchants, their professional associates and a few manufacturers formed a powerful elite.

These statements find a close parallel in Olssen's descriptions of Otago society. He argues that by the end of the 1850s:

... men of wealth, most of it made by shrewd buying and selling, had established themselves as the leaders of the new community. In areas of agricultural and pastoral settlement men like Teschemaker, Kettle, or James Fulton... had become leading men both in their local areas and in the affairs of the province. The wealthiest among them belonged to the Gentleman's Club in Dunedin and spent much of their time in town, wheeling and

---

dealing with merchants who also invested in land. Together they constituted a local board of directors.¹

Ten years later, a similar group was performing the same functions, albeit within a much-enlarged economic structure:

By the end of the 1860s a close-knit group of merchants, pastoralists, large farmers, well-to-do professionals, and financiers had emerged as an economic and social elite. Many of them had come from relatively modest backgrounds in Britain’s middling classes but they had considerable entrepreneurial skills, and capital. They built great mansions in the city, invested extensively in land and trade, developed close links with British investors, patronised the Dunedin or Otago Clubs, and played prominent roles in the religious, cultural and political life of the province. In 1870 this elite controlled the export-import sector of the colonial economy but had little direct influence within Otago’s complex network of local economies.²

This last assertion is puzzling, for we have already been told that, with the rise of pastoralism, "an elite and the structures of capitalism invaded the interior."³ If the merchants, pastoralists and large farmers were closely linked, it surely follows that part of the same "elite" must also have had considerable influence in these local economies. The reference to the Otago Club is anachronistic - this institution was not formed until nearly two decades later.⁴ By that date, the "elite" retained what were essentially the same features:

Only some four per cent of the city’s population belonged to the mercantile-financial elite. Their power rested in part upon their wealth, legitimised by conspicuous consumption and handsome benefactions, but largely on their economic functions. In partnership with the wealthiest estate holders, to whom they were tied by business and kin links, they constituted the informal board of directors for the provincial economy. Almost all of them belonged to the Fernhill Club or the slightly less prestigious Otago Club. Scots-Presbyterians dominated the Fernhill Club. Most of

¹ E. Olssen, A History of Otago, p. 54.
² E. Olssen, A History of Otago, p. 70.
⁴ See Appendix 32, Volume Two.
the members of both clubs had arrived in Otago in the 1860s, the sons of businessmen and professionals.¹

These statements suggest that the economic functions that were characteristic of the "elite" are much the same as those used in this study to identify the business community. It is not entirely clear how it was determined that the "elite" comprised 4% of the adult male population. This percentage as recorded in the 1870 census corresponds to a figure of around 300.² Taking into account the number of juveniles that must have been included in this number, it would seem that the "elite" and the group of businessmen included in Appendix 3 are roughly the same size.

For Olssen, Club membership implies "elite" status. The Dunedin Club had ninety-four members in 1875. Because many of these men were runholders, there are difficulties in treating all Club members as *ipsos facto* members of the urban "elite". There is also a disparity between the number of Club members in the 1870s and the figure corresponding to 4% of the adult male population at that time. But the insistence on Club membership as a primary indicator of "elite" status confirms the similarity between the "elite" and the business community. Most of the urban Club members of the 1870s are included in the latter category.

It is therefore reasonable to assume that patterns in the composition and behaviour of the business community ought to have some correlation with the characteristics and development of the "elite". It might be noted that Stone generally uses the term "elite" in a narrower sense, to describe a small coterie at the very apex of the Auckland business community. We have attempted to find some point of comparison between this "elite" and the Dunedin business community by concentrating on the "inner circle".

It is difficult to generalise about the social backgrounds of the men who comprised the urban business community because of the indifferent quality of the available information. Several cautious observations may nevertheless be made on the basis of the material contained in Appendix 3. Of those who had emigrated directly to New Zealand, it seems that only a few had sprung from wealthy families. A small proportion had previously amassed sizeable fortunes in the Australian colonies, but most appear to have arrived in Otago with only a modest

² The male population of Dunedin was 7,534. This figure did not include Caversham, Roslyn or Port Chalmers, whose combined male populations equalled 4,897. *New Zealand Gazette*, 1871, p. 231.
capital or, in some cases, very little at all. There was certainly justification for John Gilchrist's unflattering assessment of his bank's clientele in Dunedin. Among them, he wrote in 1864, were:

... men who even if they did make money have managed to keep but a small portion of it and who beyond dreams have very little on which a Bank can depend. I know that many broken down Melbourne people went to Dunedin without either purse or character and of course of such customers we have a share.¹

In simple terms, we are dealing with a group of men who had usually acquired such wealth as they possessed through their own efforts. Among those who had the advantage of access to family money, it seems that, more often than not, this capital had been accumulated in the colonies and within the span of the previous generation. Stone has written that "most of the business elite [of Auckland] had, at best, been members of the lower middle-class in the land of their birth."² The indications are that this was also true of the business community in Dunedin.

The place of these men in the wider scheme of social relations is not capable of precise measurement. Previous examinations of this question have been impressionistic and this is, to a large extent, unavoidable. Olssen writes that "[t]he goldrushes accelerated this dramatic economic growth, consolidated the wealth and power of the emergent elite, and strengthened the social structure that had taken form between 1848 and 1860."³ The implications of this statement are not entirely clear. It is apparently suggested that the new business community (or "elite") merely expanded around a core of earlier leaders, that it retained the values and outlook of the old, and that it stood in a similar relationship with the other social strata. If this is so, the underlying suppositions would be difficult to substantiate from the available sources.

It is true that the early character of Otago as a Free Church settlement lent an unusual aspect to its society. A high degree of ethnic and religious uniformity was still a feature of this small community on the eve of the goldrushes. The Kirk, although far from an all-embracing instrument of social control, remained a powerful force in the lives of many inhabitants of the Province. Its influence was

¹ K. Sinclair and W. Mandle, Open Account, p. 64.
² R.C.J. Stone, Makers of Fortune, p. 41.
sufficient to confer upon it a mediating role between social strata, in the fashion of Calvin's *corpus christianum* and, through figures like Burns and Captain Cargill, social authority to some degree possessed a moral dimension.¹

One feature of Otago society after 1861 that was often stressed by contemporaries was the rivalry between the "Old Identities" and the newcomers from Australia. Though sentimentalised from an early date, this tension does seem to have been important in the first half of the decade. Such prejudices were possibly of little account in the higher levels of business where the exigencies of commerce quickly broke down such barriers. But in 1863 the *Daily Telegraph* admitted: "The foolish distinctions which were set up nearly two years ago, in the spirit of which two sections of the community were respectively christened the Old and New Identities, appear to exist in full force yet."² They continued to exist until 1865, after which, if the newspapers are any guide, the feeling rapidly subsided.

The picture of Dunedin in 1872 left by James Smith, a Melbourne journalist, reflected a state of affairs that had probably ceased to exist some years before:

> Melbourne men have left their visible impress upon the street architecture and upon the mercantile enterprise of the place. In the stratification of its society, there is found an underlay of safe, solid, but somewhat slow-going and sober-sided Scotchmen, and an overlay of restless, speculative Victorians, together with a fair sprinkling of the Chosen People, of Germans and of Chinese. But the two strata belong to distinct formations. They are juxtaposed, but they are unrelated. The contact is close, but there is no amalgamation. According to the testimony of the new-comers, the old settlers viewed with undisguised uneasiness, if not with actual aversion, the irruption of the Southern barbarians from Australia.³

In reality, the men of the time might have been forgiven for thinking that the gold discoveries had confused the pattern of social relations rather than introduced new and relatively clear-cut divisions. The sweeping changes of the 1860s accelerated the secularisation of public life and removed many of the cohesive elements of the original settlement. Men who had earlier taken the lead

---

¹ The Session Minutes of First Church indicate that in this parish the Kirk Session actively intervened in the private lives of members of the congregation. Fornication and adultery were still the subject of discipline by the church in the 1860s.

² *Daily Telegraph*, 25 May 1863.

³ *Evening Star*, 8 June 1872.
in political, social and commercial affairs now found their prerogatives challenged. The outstanding survivors of the Old Identity era were portrayed as members of a clique, the so-called "family circle", and became the subjects of derisory journalism and political rhetoric.

Although by no means eclipsed during the 1860s, the influence of these men was substantially reduced by a combination of circumstances. John Jones retired from any personal part in politics after 1861. Macandrew's political career was interrupted by his disgrace and resignation from the Superintendency. Reynolds, John Cargill and Edward Cargill saw their fortunes checked in the depression of the mid-1860s, and Hyde Harris suffered perhaps more than any of them.

The few businessmen who have recorded their impressions of Dunedin society at this time hint at a rather disorganised world, the leadership of which was far from apparent. Falconer Larkworthy, who stayed in the city in 1861 while establishing the Bank of New Zealand, recalled the contrast between the old and new elements of the social milieu. The early settlers were, he fancied:

... noted for their simplicity, and austerity of morals, and their souls were exceedingly vexed with jealousy, at the irruption of a heterogeneous crowd of strangers of all religious denominations, and all kinds of morals into their preserves...¹

Larkworthy mixed in good company during his stays in the city and mentioned as his companions men such as Jones, Reynolds, W.H. Teschemaker, T.B. Gillies, Edward McGlashan and Edward Carr Young. He stayed at the Club, "one of those blessed centres of hospitality to travellers suitably introduced", and dined with E.B. Cargill, "who occupied the foremost social position in the place".² Even at this level, social relations appeared to him to be in a state of flux:

Most residents of the better class were new to the town, and to each other: they had not yet shaken into social routine, and the very small nucleus of Scotch extraction called "the old identity" were too reserved and clannish, and too small to be called a clique - to welcome new comers, however respectable, to their festivals, if they had any.³

¹ Larkworthy Reminiscences, p. 1532.
² Larkworthy Reminiscences, pp. 1572, 1573.
³ Larkworthy Reminiscences, p. 1572.
Several years later, when Ritchie arrived in the Province, the lines of demarcation in social life remained indistinct and commercial affairs still reflected the rawness and instability of a frontier town. The company of his colleagues in business held little appeal for this sensitive, intellectual young man. "Everything is new", he wrote, "there is no person or thing which is calculated to inspire reverence or even interest". Indeed, there was "not a soul into whose society you would almost have the least ambition to be admitted". The city merchants, many of whom were insolvent at the time, excited no admiration. They were "a funny piddling lot of people... mostly cads and disappointed men..." - certainly "not the gentlemen you meet in business in a place like Glasgow or London". Ritchie thought that any man of breeding from the old country could make a fortune by charging a small fee for exhibiting himself. "If any swell, or one who has a small handle to his name passes through the excitement is intense.

It appears, then, that anyone wishing to identify the elite of society at this time might have had trouble doing so. Discriminating on the basis of dress was not a very reliable guide. The wearing of the top hat, for example, had ceased to be the exclusive prerogative of gentlemen. In 1860, an arrival from Scotland received such ridicule for being seen with a bell topper and umbrella that those items of his wardrobe were never displayed in public again. But by 1866, the top hat was worn by all manner of men:

... previous to which [time] the aristocrat (none but such were supposed to be able to afford the high price charged for them through the high duty to which they are subject) who was bold enough to appear in our streets so covered was put down as some extraordinary personage and quietly "spotted" by everyone; but now the prestige has departed, as every shipping clerk and counter jumper, who apes at something above his position, appears so roofed...

But by the turn of the decade one section of the business community had sprung to prominence. Out of the fluid social environment of the 1860s, a new

---

1 Ritchie to Isabella, 1 May 1866, p. 91, Ritchie Papers.
2 Ritchie to Isabella, 1 May 1866, p. 92, Ritchie Papers.
3 Ritchie to Muirhead, 17 April 1866, p. 79; Ritchie to Tom, 17 April 1866, p. 81, Ritchie Papers.
4 Ritchie to Isabella, 1 May 1866, p. 92, Ritchie Papers.
5 Bruce Herald, 12 July 1866.
6 Bruce Herald, 12 July 1866. Within ten years, the chimney pot hat was worn only by those whom the Bruce Herald described as "the misguided few". Bruce Herald, 15 February 1876.
group of men strove to assert themselves at the higher levels of business and politics, and a new rhetoric emerged to describe them. The newspapers - or at least those not owned by the men being targeted - now wrote frequently of the city's "upper ten", as if it were obvious to whom they referred. Another expression that became common was "the High Street Ten" or "the High Street Clique". This was sometimes employed specifically to denote the leaders of the runholding interest in the Provincial Council. It was also used in slighting reference to the members of the Dunedin Club, and in this context had some geographical validity, as the Club premises were located on High Street from about 1865-1874.

The idea of a business "elite" (a term rarely encountered in the sources) had suddenly acquired a relevance it had not hitherto possessed. Significantly, this had occurred while the business world still languished in depression, before the lavish consumption and display of wealth that were features of the 1870s. In other words, the enhanced visibility of this group was not simply a function of the manifest wealth of its members. Nor is it satisfactory to argue that it resulted from the stabilising of social groupings after the turbulence of the goldrush years. As suggested earlier, the depression had kept the runholding community and the urban business world in a fluid state during the latter half of the decade. Only twenty of the seventy-seven Club members in 1863 appeared again in the 1875 list. This seemingly high rate of attrition is attributable to a variety of causes, though emigration and insolvency explain many of these changes. If Club membership is to be regarded as a primary attribute of Otago's "elite", we are clearly dealing with a group that was far from static.

The channels by which social status might be acquired in a society such as this were also unclear. Traditionally, English gentlemen were possessed of land and lineage and subscribed to a strict code of personal behaviour. Theirs was never a closed caste, but confusion over the claims of outsiders was limited to the periphery of a group that was easily recognisable by the old criteria. As J.B. Hirst has suggested, the balance was reversed in the Australian colonies and older tests

---

1 The Penguin Dictionary of Historical Slang, 1972 edition, offers the following account of the origin of the phrase: "The upper classes; the aristocrats: col: orig U.S. and in the form the upper ten thousand (1844); in England the longer form (ob. in C. 20) is recorded in 1861, the shorter a year earlier. 'Usually referred to N.P. Willis - an American journalist well known in England - 'and orig. applied to the wealthy classes of New York as approximating that number.' A register of the Upper Ten was published in England in the nineteenth century. See the Chadwick Healey Index at the National Library of New Zealand.

2 W. Downie Stewart, A Brief History of the Dunedin Club, Dunedin, 1948, pp. 16, 17. Some conspicuous members of the so-called clique also had business premises on High Street.
of gentlemanly status were redefined. Those who were gentleman in the accepted sense were few and of limited economic importance; the aspirants were relatively numerous and their pretensions difficult to reject. Rules against participation in trade were relaxed. If it was acceptable to deal and speculate in stock and runs, merchants could hardly be excluded. Involvement in the retail trade was still frowned upon but, in general, the category of gentleman became much wider:

In Australia the tests of good family (which was particularly limiting) and land ownership disappeared, and gentleman became the status of any man of means - squatters, landowners, merchants and bankers were all gentlemen.¹

There are signs that social distinctions underwent similar relaxation in Otago during this period. A cartoon by James Brown, which Hocken dates at around 1861, implies that the prejudice against retailers still existed.² But the composition of the Dunedin Club suggests that merchants and professional men had always been readily accepted. With the decline of the runholding community later in the century, such people became the backbone of Club life. The advent of the Otago Club in 1888 is perhaps an indication that, by this time, businessmen of lesser rank were also making overt claims to social status. Membership of this organisation was open to:

... professional and commercial gentlemen, the latter of whom were either to be in business on their own account or employed in leading positions in their employer’s service. These positions were specifically named and comprised accountants in banks, with firms or companies, merchants, managing clerks and salesmen.³

Apart from club membership, there were limited ways in which a gentleman might seek to have his status explicitly affirmed. There was no resident Governor in Dunedin around whom the socially ambitious might gather. Few of the city’s wealthier men could base their claims to social eminence on a distinguished

---

¹ J.B. Hirst, *The Strange Birth of Colonial Democracy*, p. 108. See also J.B. Hirst, "Egalitarianism", in S.L. Goldberg and F.B. Smith (eds.), *Australian Cultural History*. Cambridge, 1988, Ch. 5.
² See Appendix 63 (Illustration Three), Volume Two.
³ Minutes of the Otago Club, 5 October 1889, Hocken Library. Country members were required to live within ten miles of the city. Minutes of the Otago Club, 26 November 1888.
lineage. Only a few Otago businessmen appear in Burke's Colonial Gentry. This was, in any case, an honour of debatable significance. The editors' "main criterion for acceptability was wealth, but not active participation in trade; 'they draw the line at the shop.'" The structures of Dunedin "society" were thus elusive and inconstant and, like those of Melbourne, their "outlines and composition are sensed, rather than susceptible to the neat dissections favoured by the social scientist."

Although the point is controversial, it seems clear that hierarchical patterns of social relations were not reproduced in an explicit or extensive form in colonial New Zealand, and such tendencies as may have existed in Otago were even more diluted by the Victorian influences imported with the goldrushes. Pretensions to high social status generally encountered stiff resistance in this Province. Such status might be sought through a number of channels: the display of wealth, benefactions and conspicuousness in public affairs, church life and business. But the new wealth and the lack of pedigree that lay behind these affectations were not overlooked by an often hostile press. This vulnerability was sometimes viciously exploited by the radical journals of the early 1870s, although the attacks began in the previous decade. In 1867, the Evening News wrote dismissively of John Hyde Harris in the sort of language that became common in country journals and the smaller Dunedin papers over the next decade:

Would-be Harris-tocratic in his connections, would-be patrician in his sympathies, the ere-while Oxfordshire barrister, has earned all the good which a special pleader often attains to when he fawns on the footsteps of the wealthy, or assumes an attitude of adulation to a money-ocracy, the whole of whose wealth in one combined nugget would not gain its unmannered but purse-proud members admission into a third-rate London Club. Little men become big in small places. The smaller the place the bigger the man.  

---

3 P. de Serville, Pounds and Pedigrees, p. x.
5 See Appendix 33, Volume Two.
6 Quoted in Lake Wakatip Mail, 3 October 1867.
Olssen is certainly correct in suggesting that a group of businessmen and pastoralists had come to occupy a very prominent position at the head of Otago society by the end of the 1860s. It is perhaps more doubtful that this group should be conceived as an expansion of some pre-goldrush "elite". Admittedly, membership of an old settler family carried a certain prestige throughout the nineteenth century, and some of the leaders of business were indeed survivors from this period. The business community, however, had been forged anew during the 1860s. Most of its members were newcomers who, in their background and outlook, were often very different men from the Old Identities. Instead of an easy transition into a stable, well-defined social niche formed during the previous decade, the wealthier businessmen of the 1860s had a more uncertain path to eminence. In short, the category of "elite" was hardly pre-existent: it had somehow to be created at a time of economic confusion and in a social environment that was unwelcoming of such a development.

Why, then, did the business community (or the "elite", insofar as these terms are synonymous) emerge so abruptly as a distinct element in Otago society? Why did labels such as "the High Street Clique" suddenly become relevant? Who were these men and why did their activities become the subject of such intense public debate? There must have been some trigger for these changes. It is argued in Part Three that this was largely supplied by the political response of the business community to the economic and legislative developments affecting the pastoral industry.
CONCLUSION TO PART TWO

Chapter One described the changing fortunes of the commercial world during the 1860s and 70s. It concluded that the prosperous years following 1871 helped to instil a sense of community among Otago businessmen. The importance of the "inner circle" was also emphasised during this period. Chapter Two questioned the view that the business community of 1870 was a magnified reflection of the "elite" that existed before the goldrushes. Instead of an orderly expansion of this earlier group, it is likely that the "elite", or the business community, had to be formed in a rather confused social environment. It is clear that the business community had become a highly visible group by the end of the 1860s. Improved economic conditions cannot explain this development, and it becomes necessary to consider the political activities of the business community.
INTRODUCTION TO PART THREE

Part Three concerns the political history of the business community, chiefly during the later years of the provincial system. It is argued that events in this period more sharply defined the business community as a social category. Furthermore, political developments directly affected the wool industry, which became the bulwark of the Otago economy in the 1870s. Politics was another field in which the leadership of the "inner circle" was manifested. Attention to politics is also demanded by the scholarly perception that political life in the South Island was dominated by business or pastoral "elites". This assumption is tested by reference to the political fortunes of the business community in Otago.

Part Three is divided into two Chapters. Chapter One discusses the current understanding of the role of business interests in Otago politics and the political environment in which the business community had operated during the 1860s. Chapter Two examines the Otago "Liberal Party", which was the principal barrier to political control by the business community from the end of the decade.\(^1\) This is followed by a brief account of the land question and its impact on the pastoral industry after the provincial period.

\(^{1}\) The use of the term "party" to describe what was never more than a loosely organised faction in the Provincial Council might be open to criticism on the grounds that it invites confusion with the modern understanding of a political party. This is, however, the description usually applied to it by contemporaries and the term has therefore been retained. Furthermore, as will be seen below, the "Liberals" held caucus meetings, issued a political manifesto and briefly possessed their own press organ.
CHAPTER ONE - THE POLITICAL BACKGROUND TO THE "LIBERAL" ERA

Introduction

It has long been supposed that pastoralists and their urban brethren - professional men, merchants and financiers - monopolised political power in the South Island provinces. W.P. Reeves, by upbringing a product of this privileged group, labelled it an oligarchy. He emphasised in particular the strength of the squatters. Socially and politically, if not always financially, they were, before the 1880s, the "magnates" of the colony: "merry monarchs, reigning as supreme in the Provincial Councils as in the jockey clubs."

Reeves's account was first published in 1898, when the former dominance of this group was still fresh in the mind. Later writers qualified some of his broader generalisations and noted that politics in Otago did not altogether conform with the overall pattern. Sinclair wrote that the "first radical political party" in New Zealand had sprung from the debate over the land question in Otago. Oliver made a similar acknowledgement: in his opinion, the Otago Provincial Council had become "menacingly radical" towards the great landowners. The phenomenon to which these writers referred was the emergence of what contemporaries called the Otago "Liberal Party".

The story of this complicated phase in Otago politics was related at some length by McLintock. Although admirable for its lively prose and grasp of detail, McLintock's analysis is hampered by his preoccupation with the personal struggle between Donald Reid and James Macandrew. Olssen has chastised him for elevating politics into the realm of pure debate, and it is true that McLintock's interest lay more in political ideals per se than in the collisions of ideologies and economic interests that had made those ideals relevant. Like Reeves and Morrell before him, McLintock saw the land debate in Otago as having a material influence on later radical groupings and the shape of land legislation after abolition. For him, its main significance lay in this contribution.

Reeves’s deliberately stylised portrait of the South Island "oligarchy" has recently been revived and expanded by Eldred-Grigg in his popular history, *A Southern Gentry*. Admittedly, the "gentry" were "a little less strong in Otago" and they did not always constitute a majority of the Provincial Council in that Province.¹ But Otago’s concern with land reform was no more than a flirtation, which "certainly did not injure the gentry".² The initiative in politics remained firmly with the "elite".³

Eldred-Grigg’s "gentry" hypothesis has clearly influenced other students of this period.⁴ Olssen appears to endorse at least some aspects of it, although he too is conscious that Otago runholders were never as powerful as their counterparts in Canterbury.⁵ They were always outnumbered by "farmers" in the Provincial Council.⁶ By implication, it would seem that Olssen identifies the urban business community as the real brokers of political power in provincial Otago. He portrays Otago’s "elite" as "the most powerful within the colony".⁷ The merchants who "dominated" the Provincial Council on the eve of the goldrushes harboured no radical designs on the lands of the squatters and were, in fact, part of the same "elite".⁸ The goldrushes "consolidated the wealth and power of the emergent elite" and strengthened the existing social structure.⁹ It might be supposed, therefore, that the position of the squatters was fairly safe in Otago and that their mercantile allies played no small part in protecting their interests. Olssen’s account certainly strengthens the case for scrutinising the behaviour of urban businessmen in local politics, for it would appear that they were able to compensate for the weakness of the runholder lobby.

Given his concern with the "elite" and the threat it faced from radical elements, it is strange that Olssen’s history of Otago makes no mention of the developments in provincial politics that made the Council, to use Oliver’s description, "menacingly radical". In a later essay, "Lands of Sheep and Gold",

⁵ E. Olssen, "Lands of Sheep and Gold", p. 38; *A History of Otago*, p. 129.
Olssen takes an ambivalent view of the relationship between radicalism and the political interests of the squatters. On one hand, the creation of the Province of Southland "owed much to the desire of runholders in those regions to escape the thrust of radicalism."¹ And the miners' antagonism towards runholders "reinforced a movement which had pre-dated their arrival."² Yet despite the manifest need "to strike hard and quick at New Zealand's runholders", the potential for serious conflict seems to have been unrealised.³ The demands of the Victorian radicals were "woven unobtrusively into the fabric of New Zealand life".⁴ Measures to prevent the emergence of a "squattocracy" were introduced "[w]ithout much discussion."⁵

The publication of *A Southern Gentry* prompted Brooking, Hearn and Kearsley to revisit the land question in provincial Otago.⁶ Their intention was to determine the size, character and persistence of interest groups in the Council, with a view to assessing the impact of these groups on the evolution of the land laws. Accordingly, members of the Council were placed into occupational categories and their voting behaviour was scrutinised.

The criteria for this categorisation is sometimes perplexing.⁷ For example, there seems to be no means of differentiating between small and large "merchants", and the distinctions between runholders, landowners and farmers are not clear.⁸ The categorisation thus made the groups seem more heterogeneous than was probably the case.

Another reason for this appearance is that, for various reasons, occupation and social status was certainly not the sole determinant of political orientation. Had that been true, men like J.A.R. Menzies, G.E. Barton, W.H. Cutten and George Duncan would presumably not have sided with the Reid faction. Men freely

---

¹ E. Olssen, "Lands of Sheep and Gold", p. 38.
² E. Olssen, "Lands of Sheep and Gold", p. 45.
⁴ E. Olssen, "Lands of Sheep and Gold", p. 43.
⁵ E. Olssen, "Lands of Sheep and Gold", p. 50.
⁷ The placing of men in these categories seems to have been a fairly arbitrary process. J.L. Gillies was secretary to the Harbour Board later in his career but it is doubtful that this justifies describing him as a "company manager". He appears to have been an editor of the *Bruce Herald* in the early 1870s and his political outlook reflected his rural interests rather than those of an urban dweller, which the term "company manager" tends to imply. This illustrates the weaknesses of an analysis based purely upon occupation.
⁸ In the case of "landowners" and "runholders", the difference could be either the size of the estate or the tenure under which it was held.
changed their occupations at this time and often ascended the social scale with some rapidity. The values instilled earlier in their lives might nonetheless prevail despite an improvement in their circumstances. But because the analysis fixes occupation at the time at which voters attended the Council, such biographical complexities remain concealed.

A further difficulty is the failure to incorporate in this statistical exploration the constituencies that the subjects represented. Little sense is gained of the political division within the Reid faction between the goldfields representatives and the agriculturalists, or of the leadership role of the former when the faction began to split up in 1871.

Nevertheless, there are obvious merits in an analysis of this kind. The authors were able to plot with precision the emergence and disintegration of various associations of voters. Apart from the assumptions involved in categorising the voters, the data produced was objective. It was possible to conclude that Eldred-Grigg's hypothesis did not explain the voting tendencies in the Otago Provincial Council. Significantly for our purposes, the writers decided that "there was never a united and dominant pastoral-merchant elite in Otago..."1

Brooking, Hearn and Kearsley considered that their findings were capable of refinement by alternative methods of research. There are indeed aspects of the subject that a purely statistical analysis cannot illuminate. The debate over the land question generated a great deal of contemporary interpretation and commentary. For the most part, this is disclosed through the newspapers of the period; manuscripts are a much smaller source of information. There is much in this material that helps to explain the shifting voter alliances noted by Brooking, Hearn and Kearsley.

Our main interest lies with what this chapter of political history reveals about the nature of the business community. The controversy over the land question was a matter of deep concern for most of the leading businessmen identified in Part One. Some of them were at the forefront of the struggle to protect the runholding interest. The later provincial period, especially during the years 1868-74, is therefore an important indicator of the business community's political capacity. It permits an assessment of the influence that core members of this group could bring to bear in a matter directly affecting either themselves, their clients or their peers. The strengths and weaknesses of the opposition they encountered are

naturally of immediate interest. Moreover, there was no disguising the vested interests at stake. Perceptions of the businessmen involved, and their obvious efforts to pursue private concerns through politics, are important in placing business activity in a wider social context, for it is apparent that popular symbols emerged by which the upper echelons of the business world could be identified.

Runholding and, by extension, the wool trade as a whole were highly sensitive to political changes. Profitability rested on the simplest of principles. Ideally, capital outlay was kept as small as possible. The purchase of land was something to be avoided unless absolutely necessary. The acquisition of a freehold title added nothing to the productivity of the operation and ate deeply into the profit margin. Even had they been disposed to do so, few of Otago’s squatters could have bought their runs without going heavily into debt. Interest payments were therefore likely to reduce the return on capital even further.

On the other hand, runholding required access to large areas of land and protection from the inroads of settlement. Seasonal expenses might readily be covered by advances from banks and agents, but many Otago runholders demanded more permanent loans for necessary improvements or land buying. Such finance was difficult to procure unless lenders could be satisfied of the runholders’ certainty of tenure and possessed something tangible in the way of security. The key to the whole enterprise was to strike a balance between preserving the profit margin and retaining control over the land. The runholder either sheltered behind a long, secure lease at a modest rental or, less desirably, he bought sufficient land to command a large area of hinterland. Any greater expenditure of capital removed the prospect of large, short-term profits.

Once these cardinal principles have been understood, the political behaviour of the mercantile-pastoralist alliance in the late 1860s becomes explicable. The fall in wool and stock prices shrank the profit margin and it is likely that many runs were operating at a loss in 1868-70.¹ The value of pastoral property fell accordingly, and it grew increasingly difficult to borrow for the purpose of buying land.²

At the same time, pressure for the creation of new hundreds threatened the tenure of runs in a number of districts and further eroded the confidence of lenders and investors. Here was the political dimension of the problem. In the

¹ Hawke’s Bay Herald, 16 July 1869.
² The pressure upon runholders is evidenced by the flurry of loan applications to the NZLMACo, which is documented in Appendix 10.
past, the cancellation of leases could be countered by the strategic purchase of sections in the hundreds, often with the aid of the compensation paid for improvements. During the economic crisis at the end of the decade that option was, for many runholders, scarcely to be contemplated. It became imperative for those interested in the wool industry to place some check upon the opening of runs for settlement. Instead of being an expression of dominance in the Provincial Council, the actions of the mercantile-pastoralist faction stemmed primarily from these business-related anxieties.

It is true that runholders and large landowners never enjoyed a numerical ascendancy in the Otago Provincial Council. Even with the support of the "urban business elite", supposedly the "dominant" element in politics from the 1850s, it is difficult to identify a period when they held power with any degree of assurance. Of twenty-one Councillors in 1862, there were only four runholders (though these representatives could find allies among townsmen such as E.B. Cargill, Reynolds, Hepburn and Thomas Dick). The Council of 1866 contained seven runholders, who were well outnumbered by a block of eighteen members sympathetic to mining or agricultural interests. Parity could only be achieved with the aid of the lawyers, petty businessmen and wool merchants who made up most of the remaining thirteen members.

It is also apparent that the temper of the electorate was less favourable to runholders than it was in Canterbury. This had been demonstrated in the provincial election of 1861, which had been rendered necessary by Macandrew's disgrace and resignation from the Superintendency. Macandrew's audacity in contesting this election from his debtor's prison has tended to obscure its importance in the development of Otago's land policy. For some years before this event, it had been clear that the next belt of hundreds would almost certainly be located along the coastal seaboard of North Otago. A group of runholders likely to be affected by this development looked for ways of protecting itself. John Jones was prominent in this movement. He began cultivating the political support of the beleaguered Superintendent, his former rival in business. In the months leading up to the revelation of Macandrew's embezzlements, Jones loaned at least £4,000 to Macandrew, possibly as much as £13,000.2

---

1 Eldred-Grigg classified men like Donald Reid and Bendix Hallenstein as members of the "gentry". Given their backgrounds and political orientation, this is palpably wrong. But even this expedient is unable to bring the "gentry" representatives up to a majority of any Council. S. Eldred-Grigg, _A Southern Gentry_, pp. 42, 66, 94.
The strategy of these runholders turned upon the Land Sales and Leases Ordinance of 1856. This legislation had outlived its original purpose, but it contained a clause that could allow land within the threatened runs to be sold without competition at the upset price of 10s per acre.\(^1\) From August 1859, the northern runholders began applying to purchase large areas of their runs in an attempt to anticipate the declaration of the new hundreds.\(^2\) Macandrew duly played his part by enlarging the Waste Lands Board to twenty members and installing a majority of runholders.\(^3\)

There was no obvious need for this change to the Board’s constitution, which suggests that Macandrew had yielded to the pressure of Jones and the runholders.\(^4\) The Otago Witness judged from the “peculiar construction” of the Board, that one of its first acts would be to sanction the applications for, in effect, the exercise of an unlimited pre-emptive right.\(^5\) Jones’s conduct at the next meeting of the Board confirms that this had been his hope. He did not win sufficient support.\(^6\) Only six commissioners, including himself, were immediately threatened by the new hundreds. The other members were possibly reluctant to bring public vituperation upon themselves for an action that would be of no benefit.\(^7\) If the Land Sales Ordinance were abused in the proposed manner, it would certainly be repealed before their own runs were opened for sale.

The question of runholders’ rights remained very much alive despite this setback to Jones and his followers. Macandrew’s resignation and the resulting election provided an opportunity for the northern runholders to regain the initiative. Jones, backed by some forty-five squatters, secured as his candidate Alexander McMaster, a runholder at Marewhenua.\(^8\) The aims of this faction seem clear. The powers of appointment to the Waste Lands Board and the summoning and prorogation of the Provincial Council lay with the Superintendent. While the

---


\(^2\) Otago Colonist, 9 September, 7 October 1859. Otago Witness, 12 August 1859.

\(^3\) Otago Colonist, 27 January 1860. The runholders were: Jones, A.C. Strode, Alexander Chalmers, Captain Fraser, W.H. Teschemaker, Fairfax Fenwick, Michael Gleeson, James Fulton, James Smith, John McLean, F.W. MacKenzie, Robert Stuart, J.P. Taylor and William Black. Thomas Dick acquired an interest in a run within three years. Andrew Todd, James Allan, A.J. Burns, John Dewe and Major Richardson were the other members - the first three signed a requisition to Macandrew at the next election.

\(^4\) For the relationship between Jones and Macandrew, see Otago Witness, 26 April, 25 May 1861.

\(^5\) Otago Witness, 28 January 1860.

\(^6\) This much had been predicted before the meeting of the Board. Otago Colonist, 30 February 1860. Otago Witness, 28 January 1860.

\(^7\) Otago Witness, 11 February 1860.

\(^8\) Otago Witness, 27 April 1861.
Land Sales Ordinance remained in force, there was potential for leaseholders to purchase the best parts of their runs at prices well below the market value of the land. Unless the Provincial Council was in session, little could be done to check the activities of the Board.\(^1\)

McMaster’s sympathies undoubtedly lay with his own class. He extolled the virtues of small hundreds in which, of course, the grazing rights of settlers would be correspondingly limited. He also refused to pledge himself to the reformation the Waste Lands Board or the opening of the northern hundreds recently approved by the Council. The Canterbury land system, with its free-selection provisions and generous pre-emptive right, received his approbation, and he did not think a thousand-acre pre-emptive right would be an unreasonable concession to Otago runholders.\(^2\)

Jones tried unsuccessfullly to reach an understanding with Macandrew’s committee.\(^3\) The election thus became a three-way contest between the disgraced Superintendent, McMaster and Major Richardson. Richardson saw the campaign as a conflict between the selfish designs of a few capitalists and the rightful claims of small farmers:\(^4\)

... the runholders have organised a party, through whose instrumentality one of their own body aspires to the honour of your confidence. The gauntlet thus thrown down by the northern runholders, under the able and skilful generalship of Mr. Jones, I take up in behalf of the freeholders of Otago, both present and future, of the labouring classes, of a portion of the commercial community and... others, including... the earlier settled runholders, who view with alarm... the attempt to convert this noble Province, formed by nature for the habitation of man, into a series of sheep walks.\(^5\)

Richardson perceived that the settlement of Otago had reached a crisis that other parts of Australasia had already witnessed. The squatters, who knew they held their runs on sufferance, were trying to make permanent their claim to the wastes. He exhorted voters to consider the situation in Victoria:

---
\(^1\) Otago Witness, 4 May 1861.
\(^2\) Otago Witness, 4, 8 May 1861. See also Appendix 34, Volume Two.
\(^3\) Otago Witness, 25 May 1861.
\(^4\) Otago Witness, 11 May 1861.
\(^5\) Otago Witness, 4 May 1861.
... where your fellow freeholders, who were formerly ground to the earth, have wiped the stain from their manhood and gained a glorious victory, and whence these defeated runholders have settled in swarms on your fertile plains.\(^1\)

McMaster had managed to win only 106 votes at the ballot. Richardson won comfortably with 292 votes, well ahead of Macandrew who polled 189 votes.\(^2\) The new Superintendent reduced the Waste Lands Board to five members and allowed only one runholder to remain. Further hundreds were declared in a continuous strip from Blueskin Bay to the Waitaki, and in the vicinity of Popotunua and Waitahuna.\(^3\)

Eldred-Grigg and Olssen both portray the 1861 election as something of a non-event.\(^4\) Olssen notes that the population was around 12,000 at that time: "most of them, clearly, cared little for politics."\(^5\) This conclusion misses the significance of the campaign. The 1861 election was the first time the Superintendency had been contested, and 587 votes were cast, with the results from some booths not yet to hand.\(^6\) While the exact size of the roll is unknown, it is likely to have been much smaller than 1,896 - the number of electors eligible to vote in 1863.\(^7\) Between the two elections the number of persons having the necessary property qualification would have been greatly swollen by the goldrushes. If that turnout of voters in 1861 still seems low, one might wonder why the runholders and merchants who constituted "a local board of directors" were not better able to influence the result.\(^8\) These men had an interest in the outcome and a small poll would have favoured them. The part played by Major Richardson is also worth pondering. Eldred-Grigg classifies him as a member of the "gentry".\(^9\) Yet Richardson's farm at Puerua was only 150 acres and he was at all times an advocate of the small settler. His devotion to a range of other social reforms makes the stereotype of a gentry oligarch quite inapplicable to him.\(^10\)

---

\(^1\) Otago Witness, 4 May 1861.
\(^2\) Otago Witness, 25 May 1861.
\(^3\) The northern hundreds covered 284 square miles. AIHR, 1868, F-3, p. 7.
\(^4\) S. Eldred-Grigg, A Southern Gentry, p. 59.
\(^5\) E. Olssen, A History of Otago, p. 49.
\(^6\) Otago Witness, 25 May 1861.
\(^7\) ODT, 25 January 1867.
\(^8\) E. Olssen, A History of Otago, p. 54.
\(^9\) S. Eldred-Grigg, A Southern Gentry, p. 59.
Richardson's election confirmed the hundreds system as the central institution of Otago's land system. Unlike Canterbury, there was no system of free selection that enabled squatters to spot or gridiron their most valuable land. The pre-emptive right was smaller and more strictly administered in Otago; in Canterbury, it was the means by which a sympathetic Waste Lands Board allowed runholders to control large areas on the basis of often imaginary improvements.\(^1\) Otago squatters did not have the same control over when they could buy land. The declaration of hundreds might compel them to purchase when the state of their finances made this inconvenient. Competing applications meant that most of the better land was often exposed to sale by auction. Thus, while in the period 1857-68 Canterbury remained "a vast 'sheep walk' tempered by what could be called an agricultural fringe", Otago adhered to a system that left its runholders in a less secure position and offered fewer opportunities for the creation of cheap freehold estates.\(^2\)

In the short term, these features made little difference to the pattern of land buying in the two provinces. The hundreds system had worked tolerably well in the 1850s when the boundaries of pastoralism were still expanding and pressure for settlement was moderate. Its weaknesses were exposed in the early 1860s. With no limitations upon their buying power, runholders and speculators held sway in the sales of the northern hundreds. Purchasers of freehold land were legally required to expend a specified sum on improvements, but these rules were notoriously ineffective and rarely observed.\(^3\) Because most of the land was immediately applied for, purchasers with little capital or credit had to compete at auction and did not have the advantage of running stock on the unsold sections.\(^4\) Wealthy buyers made arrangements between themselves to eliminate competition and the small man was squeezed out.\(^5\)

In this fashion, valuable estates were bought out of the hundreds by men such as Holmes, Campbell, Calcutt and Menlove, Webster, Jones, John Douglas (New Zealand & Australian Land Co), Borton, McMaster, the Fenwicks, John Reid, Rich, Wayne, F.D. Bell, Gardiner, Teschemaker and others. These productive

\(^3\) ODT, 6, 20 December 1862; 4 January 1865. *Parliamentary Debates*, 16 September 1873, p. 1119.
\(^4\) Land was not auctioned unless competing applications for the same sections were registered at the Commissioner of Crown Lands' Office on the same day. There were multiple applications for much of the land in the northern hundreds.
\(^5\) F. Sinclair, "Waste Howling Wilderness", pp. 82, 83.
units, well suited for intense farming, allowed the emergence of a group that in some ways approached the "gentry" model postulated by Eldred-Grigg.\(^1\) As Burnard has demonstrated, the comparison requires careful qualification.\(^2\) In the southern hundreds declared under Richardson's administration, the pressure for land was less, although big blocks were later purchased by Tolmie, Logan, James C. Smith, Thomas Telford and the New Zealand & Australian Land Company.\(^3\)

The pattern of land sales within the new hundreds increased the demand for more land to be opened in the following years. At the middle of the decade, vast areas of the Province continued to be held as pastoral runs. But three fifths of the licences were due to expire in 1872 and, with eight exceptions, the remainder would fall in two years later.\(^4\) As the goldfields became less able to support the population that had arrived in Otago in the first half of the decade, extensive blocks of pastoral land would have to be resumed by the Government. Runholders were openly concerned about the continuation of their occupation. A Squatters' Association was formed in 1865, its leading spokesmen being F.D. Bell and D.F. Main.\(^5\)

The Otago Waste Lands Act and the Otago Goldfields Act, both passed in 1866, were partly a response to this agitation. Runholders sought a clarification of the terms on which they would hold their land once the current licences expired.\(^6\) Under the former statute, runholders could obtain a lease of ten years beyond the term of their original licence in exchange for the payment of higher rentals. If land was taken for hundreds after the expiration of the original licence, the lessee received compensation for improvements not exceeding the value of three years rental. In practice, the usual figure was 6-7d per acre.\(^7\)

Land within the goldfields was exempted from the Waste Lands Act and could not be opened for immediate sale. Under the Goldfields Act, an area not exceeding 5,000 acres could be taken from any run for agricultural leases. No

---

1. The large expenditure on freehold must sometimes have resulted in an unwieldy debt burden. Ritchie thus considered that W.H. Teschemaker had borrowed too heavily and "only forbearance on the part of the bank keeps him going". Ritchie to Russell, 7 July 1871, p. 129, Ritchie Papers.
3. For complaints about the results of these sales, see Otago Witness, 6 January, 16 March 1862.
5. ODT, 16 October 1878.
6. Parliamentary Debates, 29 September 1871, p. 24. The Squatters' Association privately circulated a manifesto setting out the terms on which it wished the licences to be renewed. Bruce Herald, 4 May 1865.
7. ODT, 16 October 1878.
applicant could take up more than fifty acres.\textsuperscript{1} The runholder retained the right of pasturage on the unleased ground and usually received more generous compensation.\textsuperscript{2} In theory, land could be taken out of the goldfields and declared into hundreds, but the Vogel Executives refused to do this.\textsuperscript{3} Because of the greater security conferred by this statute, runholders outside the goldfields believed that the whole brunt of settlement was being forced ruinously onto them. The security of leaseholders across the arbitrary goldfields boundary had been obtained at their expense.\textsuperscript{4}

These measures were regarded at the time as a fair compromise between the pastoral, agricultural and mining interests.\textsuperscript{5} Some agriculturalists felt the Waste Lands Act conceded too much to the runholder, but Donald Reid thought the measure reasonable and supported it accordingly.\textsuperscript{6} Squatters feared that, under the Act, they would be at the mercy of the government, yet were afraid to press for greater privileges. Strode counselled them to be "contented with the small mercies contained therein, least we should rouse more violent opposition."\textsuperscript{7}

Much depended on the manner in which the Act was administered by the Provincial Government. Most runholders feared the consequences of their runs being declared hundreds and were initially reluctant to come under the new Act.\textsuperscript{8} Henry Driver, representing some thirty runholders, and Julius Vogel, the Provincial Treasurer at the time, devised a scheme that conferred much greater security than the statute itself provided.\textsuperscript{9} Runholders accepting a new lease might enter into a covenant with the government by which certain lands might be taken from their runs and sold without compensation being paid, the understanding being that no hundred would be declared during the currency of the lease.\textsuperscript{10}

This was considered by agriculturalists to be a subversion of the hundreds system.\textsuperscript{11} The surrender of the right to compensation was perhaps a small price to pay for immunity from the declaration of hundreds. Furthermore, the right of

\begin{itemize}
\item \textsuperscript{1} In practice, individuals were often permitted to take up to four such leases. \textit{AIHR}, 1869, C-1, p. 18.
\item \textsuperscript{2} \textit{AIHR}, 1869, C-1, p. 11.
\item \textsuperscript{3} \textit{Otago Witness}, 2 May 1868, p. 4.
\item \textsuperscript{4} \textit{AIHR}, 1869, C-1, pp. 9, 64, 65. See also Appendix 35, Volume Two.
\item \textsuperscript{5} \textit{Parliamentary Debates}, 3 October 1872, p. 509.
\item \textsuperscript{6} \textit{Parliamentary Debates}, 29 September 1871, p. 24.
\item \textsuperscript{7} Dr Andrew Buchanan, Diary, 21 August 1865.
\item \textsuperscript{8} \textit{AIHR}, 1869, C-1, p. 96.
\item \textsuperscript{9} \textit{Otago Hansard}, p. 135.
\item \textsuperscript{10} For Driver's defence of this scheme, see \textit{OPT}, 25 January 1869.
\item \textsuperscript{11} Major Richardson, one of the drafters of the Waste Lands Bill, was adamant that the intention of the legislation was to ensure that no land was sold except in hundreds. \textit{OPT}, 14 June 1868.
\end{itemize}
pasturage on the block affected by the covenant remained with the runholder and not with other purchasers of freehold, a serious disadvantage to small settlers who could not afford to tie up their capital by buying all the land they would eventually require.\(^1\) Vogel's "block" system gave greater protection to runholders while facilitating the repurchase of any lands that might be taken under the covenants. It is likely that, if legally tested, these covenants would have been ruled *ultra vires*.\(^2\) The government would then have been unable to enforce them against any runholder and the agreement made by the Provincial Government would not have fettered the Governor's freedom to proclaim hundreds over any part of a run. Donald Reid, for one, was convinced of their illegality.\(^3\)

Nevertheless, the reality was that any government wishing to favour the runholders could regard itself as bound by the covenants, in equity if not in law. Convinced that the agreements would be observed, nearly all runholders took up leases under the new Act.\(^4\) The business ramifications of the understanding between runholders and the government were not inconsequential. Run 137 near Tuapeka, with four and a half years of the licensed term remaining, was unsaleable in 1866. Once the new lease and covenant had been signed, it was much in demand and changed hands for £6,500 (4s per acre) without stock.\(^5\) Runholders testified to the 1869 Commission on waste lands administration in Otago that they had invested heavily on improvements on the strength of the Vogel Government's undertakings.\(^6\)

The agriculturalists who supported the 1866 legislation anticipated that no restrictions would be placed on the declaration of hundreds and that new leases would not be issued for runs that were likely to be required for settlement. The old licences would be left to expire and the land opened without the need to pay compensation. Their expectations were dashed when all squatters seeking the protection of the Act and its collateral covenants were granted new leases.

Negotiations between the runholders and the government took place at critical time in politics. The new leases were not executed when the provincial election of 1867 took place and the omens were grim for the runholders and their allies. James Macandrew contested the Superintendency against Thomas Dick. He

\(^1\) *Otago Witness*, 28 November 1868, p. 17. \(^2\) *AIHR*, 1869, C-I, pp. 6-9. The covenants were validated by the Hundreds Regulation Act of 1869. \(^3\) *Parliamentary Debates*, 29 September 1871, p. 25. \(^4\) *Otago Hansard*, p. 135. \(^5\) *AIHR*, 1869 C-I, p. 8. \(^6\) See Appendix 36, Volume Two.
promised a new era in the development of the colony based on increased immigration, public works and rapid settlement of the waste lands. "Land for the people and people for the land" became his slogan and promises were made about the cancellation of certain leases. James Fulton, who had cast aspersions on Macandrew's morality, was threatened with the immediate opening of his run.¹

Recent interpretations of Macandrew's political behaviour have created a potential for confusion. Eldred-Grigg paints him as a man who did little more than strike poses when it came to the land question - a demagogue rather than a social reformer.² This might well be a fair assessment, although by placing him among the affluent gentry Eldred-Grigg overlooks two features about Macandrew's life after his fall from grace. The former Superintendent was reduced to very humble circumstances, having apparently no means of support beyond a small farm and the salary of his public office, and he was treated as an outcast by many of the city's wealthier citizens.

Olssen's biographical essay on Macandrew notes the horror with which his political recovery was viewed by runholders.³ This lies uneasily beside his assertion, made elsewhere, that Macandrew "enjoyed considerable support from within the mercantile-business elite".⁴ In the light of Macandrew's avowed policy on the land question, Olssen's claim implies a conflict between the interests of the pastoral and mercantile sections of the elite. This split is not explained and contradicts his earlier statements about the unity of the urban and rural elites.⁵ It is possibly true that sections of the commercial community hoped Macandrew would be able to attract more consumers to the colony and revive its weakened economy with his proposed public works.⁶ It is not clear, however, that much assistance was received from what might be regarded as the "elite" of that time. Macandrew was requisitioned by 150 people, but the list of his supporters seems not to have been published in the press. Major Richardson could see no men of note among them.⁷ On the other hand, many runholders and merchants pledged themselves publicly to Thomas Dick.⁸ The two groups of supporters cannot be

¹ Echo. 31 December 1870.
² S. Eldred-Grigg, A Southern Gentry, p. 60.
⁴ E. Olssen, A History of Otago, p. 72.
⁵ Cf. E. Olssen, A History of Otago, p. 70.
⁶ Bruce Herald, 14 February 1867.
⁷ Richardson to Stafford, 21 February 1867, Stafford Papers.
⁸ See Appendix 37, Volume Two.
compared, but it is unlikely that Macandrew received significant help from the "elite", whether rural or urban.

The alliance of wealthy men against Macandrew only enhanced his popularity in some quarters. Dick was tainted by his connections with the "Upper Ten" and the "Family Circle". "[U]nder MR DICK, we should dread the perpetuation of that family cliqueism", wrote the Bruce Herald. In nominating Macandrew, James McIndoe said he wanted to see an end to "the over-weening clique who had hitherto named the man who is to be our Superintendent." The same spirit was evinced in the election of the new Council. One report stated that, "so far as the city is concerned we are determined to oust the 'clique' now and forever, and to send to the Council seven 'good men and true'".

Macandrew easily carried the day. He won large majorities in Dunedin, the southern agricultural districts and at Tuapeka. Elsewhere on the goldfields, the turnout of voters was smaller and the pattern less decidedly in Macandrew's favour. The result horrified many observers. J.C. Richmond referred to Macandrew as a "notorious rogue" and regretted that criminal proceedings had not been brought against him when his frauds had been discovered. He also hinted that the government had considered disallowing Macandrew's election, although he felt that this would only make a martyr of him and start "a long hopeless and hand to hand battle with the electors who would have returned him again and again." David Monro wrote in 1870:

[Macandrew] has been dismissed from the office of Superintendent for stealing; and is unfit to associate with gentlemen. That he has been elected again in Otago only shows that there is a very deplorably low standard of morality there.

Uneasiness in moneyed circles was further stimulated by the composition of the new Council. There were twenty-three new members, and their sympathies

---

1 Bruce Herald, 21 February 1867.
2 ODT, 5 February 1867.
3 Bruce Herald, 28 February 1867.
4 ODT, 21 February 1867.
7 Monro to Rolleston, 22 December 1870, Rolleston Papers.
were difficult to predict. It was therefore a great relief that Vogel managed to retain control of the government from 1867-69, albeit by the slimmest of margins. Vogel, for his part, seized the long-awaited opportunity to ingratiate himself with the wealthier element in Dunedin society.

Under Vogel's government the opening of land for settlement proceeded only slowly. With what appeared unseemly haste, nearly all leases were re-issued under the new act by the outgoing Superintendent. Vogel attempted to place a drag on the declaration of hundreds by subjecting the procedure to the scrutiny of a select committee, a move that was greeted with distrust for, as T.L. Shepherd remarked, "[a]nyone who knew the Hon. Treasurer knew full well that he could pack anything." He further incurred the wrath of country people by proposing the sale of the Wakatip commonage and by reducing the price of unsold land in hundreds so that grazing land was bought up by speculators and runholders. Between February 1865 and June 1868, no new hundreds were proclaimed. By early 1871, Vogel's Executive had held power for twenty-one months, in which time a paltry 6,850 acres of pastoral leasehold land had been cancelled. This compared with 82,490 acres taken from runs during the twenty months of Reid's government.

These features of Vogel's administration marked him in the public eye as a squatters sympathiser. "It has been whispered", wrote the Tuapeka Times in 1868, "that the executive, in its management of public affairs, was more influenced by what was said at the supper table of the Club Hotel, High Street, Dunedin (the resort of the squatters) than what was brought for discussion at the Superintendent's business table." To the dismay of many of his supporters, Macandrew connived at this policy and protected the Vogel executives. He made no protest at the administration of the Land Act and pleaded that he could not have stopped the re-issuing of leases to land that was obviously required for

---

1 ODT. 16 April 1867.
2 Tuapeka Times, 25 July 1868. See also ODT, 11 April 1868.
3 AIHR, 1869, C-1, pp. 1-2.
4 AIHR, 1869, C-1, p. 72.
5 Tuapeka Times, 9 February 1871. This figure probably applies to land subject to the Waste Lands Act. Olssen notes that almost 175,000 acres were taken from runholders on the goldfields between 1866-69. E. Olssen, "Land of Sheep and Gold", p. 43. The nature and extent of land available on the goldfields is discussed in detail in AIHR, 1869, C-1, p. 11.
6 Tuapeka Times, 25 September 1868.
settlement.¹ The Tuapeka Times wrote of "a feeling of revulsion" against the Superintendent whose praises it had so recently sung.² A Punch cartoon showed Macandrew addressing the populace and promising them land for settlement, "when in an aside he was made to say to the runholders, 'Don't they wish they may get it.'"³

The political setting of the "Liberal" period is complex, but from it emerge several features emerge that were of importance to the business community:

1. Between 1859 and 1861, runholders attempted to have the land laws administered in a manner that afforded them some protection from the hundreds system. This move failed. Otago persisted with its distinctive system of land disposal and rejected the Canterbury model.

2. In the mid-1860s, with the expiry of the original licences drawing near, runholders sought an extension of their tenure on a more secure footing. The opportunity to take leases under the Waste Lands and Goldfields legislation of 1866 was grudgingly accepted after Vogel and Driver modified the effect of these Acts. Their scheme set a predetermined limit on the land that could be taken from many runs and then allowed the land to be offered for sale in a way that helped its acquisition by the former lessee. Greater confidence in the security of the runs would help to prop up their value in the face of a serious drop in wool prices.

3. This plan might also have failed if Macandrew had remained true to his election assurances about land settlement. For reasons unknown, the new Superintendent quickly proved himself an ally of the runholders.

4. There was continuing anxiety about control of the Provincial Executive. A radical administration might take such steps as challenging the legality of the covenants or removing runs from the goldfields before opening them for settlement. Vogel managed to hold office between 1867-69, but his position was never safe.

---
¹ AIHR, C-1, 1869, p. 87. The ODT denied that his hands were tied by the outgoing Superintendent (25 January 1869). All but a few leases were re-issued. Driver acted as negotiator for twenty to thirty runholders. Otago Hansard, p. 135.
² Tuapeka Times, 25 July 1868.
It may be understood from this that runholders had not enjoyed a strong position in Otago politics at any stage during the 1860s. The measure of security they had attained by 1867 arose from fortuitous events, notably the success of Vogel and Driver's ploy in modifying the statutes by covenants, the re-issuing of all the leases and Macandrew's *volte face* on the land question. It was not the result of electoral dominance by the squatters themselves or any urban grouping sympathetic to their aims. The administration of the 1866 land legislation under Vogel and Macandrew spurred the development of the "Liberal Party". Before this new challenge to "big" business in Otago is examined, further information about the nature of the Otago electorate must be considered.

The Electoral System

It was said that the property qualification for voting in provincial elections was so liberal as to amount to household suffrage.\(^1\) Electoral rolls were never large during the provincial period. There were 3,901 on the Superintendency roll in 1865 and 7,277 in 1867.\(^2\) The total of those eligible to vote in the provincial elections of 1871 was 10,397 out of a total male population of 36,685.\(^3\) One consequence of this broad franchise was that public snobbery mysteriously evaporated on polling day. A correspondent of the *Bruce Herald* enjoyed the scene at the Port Chalmers railway station when W.H. Reynolds was campaigning on the abolition ticket in 1876:

> It was very amusing to notice the supporters of either party watching the trains as they arrived, and then when a voter alighted to observe the delicate attentions paid him. For once Jack was as good as his master, and the big swell who twenty-four

---

1. *ODT* 12 February 1867. In one of his speeches on manhood suffrage to the Provincial Council, Charles Haughton observed, "In this colony there were not the same class distinctions as in the home country, one man was as good as another, and, in many cases Jack was better than his master. They must therefore acknowledge that there was no social reason why one class should possess political privileges over another... Another objection sometimes used was that it was placing power in the hands of the masses. He scarcely understood what that meant in New Zealand. He could quite understand how in the large manufacturing towns of England the power of the masses could influence elections, but there were no masses in the colonies." *ODT*, 10 May 1870. The *ODT* maintained that there was simply no public interest in radical franchise reforms. *ODT*, 13 May 1870.


3. *New Zealand Gazette*, 1871, p. 231. This figure does not include Southland, which had a male population of 4,600 in 1871. *Mount Ida Chronicle*, 6 January 1871.
hours before would object to you smoking in a compartment in which he was riding, would now allow you to smoke in his face.\(^1\)

The *Morning Herald* noticed the same phenomenon three years later:

... members of the haut ton, who at other times are inaccessible to
the common run of men, appeared to have suddenly extended the
circle of their acquaintance in an extraordinary manner, with the
result that they politely accosted every member of the *genus homo*
whose name appears on the electoral roll.\(^2\)

Such condescension was a matter of necessity rather than inclination and men like Reynolds feared that too much democracy would demoralise politics. The composition of the Provincial Council filled him with displeasure. He told the electors of Caversham in 1873: "I have never met with a body of men so inferior... I have always felt it a disgrace to be associated with some of them."\(^3\) Dr Webster believed that "no m[e]n except those of respectability and property should occupy seats on the Government benches."\(^4\)

Certain aspects of the electoral process did favour the runholder faction. The Waitaki, Wakatip, Manuherikia and Lindis seats were almost the pocket boroughs of local runholders owing to their remoteness and ridiculously small rolls. There were seventeen men on the Lindis roll in 1866 and three quarters were considered unable to influence the result, presumably because of distance from the polling place.\(^5\) Only eight votes were polled in the Waitaki election in 1871.\(^6\) Plural voting, which was permitted in elections for the Council but not the Superintendancy, increased the electoral power of propertied men. The significance of the plural vote was greatest in Dunedin where urban electors, if qualified, could easily exercise votes in the suburban seats like Kaikorai, North Harbour, Port Chalmers and the Peninsula. They often ventured further afield to Waitati and the Taieri, particularly if a candidate was able to supply transport.\(^7\)

\(^1\) *Bruce Herald*, 14 January 1876.
\(^2\) *Morning Herald*, 3 September 1879.
\(^3\) *New Zealand Tablet*, 31 May 1873.
\(^4\) *Otago Guardian*, 16 September 1874. For a contrary view on manhood suffrage and democracy see the *Evening Star* - a runholders’ organ - 10 May 1870.
\(^5\) *Oamaru Times*, 5 July 1866. There were just eighty-nine names on the roll for Oamaru town and district in 1864. *Oamaru Times*, 2 March 1864.
\(^6\) *Otago Daily Times*, 27 March 1871.
\(^7\) See, for example, *Evening Star*, 25 February 1870.
Distance from polling places was a powerful disincentive to voting in country areas. This was especially true on the goldfields where, for many miners, the act of voting required the sacrifice of a day's work. Charles Haughton said of the 1867 plebiscite on goldfields administration that in Dunedin every man would vote; in the country, one in twenty; and on the goldfields, one in fifty.1 Because of this tendency, the urban popularity of a candidate for the Superintendency was more readily translated into votes. Although country members received an honorarium for attending sessions of the Council, the payment was small and local men were often deterred from serving because of insufficient money or time. Dunedin merchants and lawyers were occasionally able to win country seats by exploiting the lack of local opposition, but this became more difficult as time went by.2

Money was unquestionably an important resource in any campaign. Unlike Auckland, there is little evidence that paid "heavies" or "bludgeon men" were used to intimidate voters in Otago.3 The only suggestion of such a practice (and a vague one at that) was an allegation that the High Street clique hired bully boys to keep order at one of Vogel's political meetings in 1870.4 Professional canvassers were often used; indeed, as Haughton made out, their services were easily enlisted, as candidates would be pestered by "every worthless man in the district" to be given employment of this kind.5 And such men were likely to cause mischief for a politician if their offers were spurned without at least the reward of a nobbler for their interest. Canvassers evidently went to great lengths to procure support. Reynolds became involved in a legal action with one of his hirelings, during which it was revealed that the canvasser had made two trips between Blueskin and Dunedin to secure the vote of a certain elector.6

The expenditure of money on cabs to bring voters could also help to influence the result of an election. During the more exciting contests, the streets of Dunedin were filled with vehicles rushing to fetch the supporters of particular candidates.

---

1 ODT, 3 May 1867.
2 Provincial elections were often more fiercely contested in rural areas. The distant glories of service in the national legislature required a sacrifice of time and money that was generally beyond cockatoos, miners and men of small means. A seat in the Provincial Council involved less onerous responsibilities and its local prestige was not substantially inferior.
4 Echo, 17 December 1870.
5 ODT, 26 June 1871.
6 Southern Mercury, 10 February 1877.
All kinds of conveyance might be pressed into service, from coaches-and-four to funeral hearses.¹

Alcohol played a big part in electioneering and was useful in capturing the working man's vote. When Driver won the Roslyn seat in 1871, certain hotels dispensed free liquor. "[F]rom some inexplicable and, we suppose, never to be explained reason, these public houses were somehow or other looked upon as Mr Driver's headquarters".² Driver was rumoured to have bragged that he had bought the electors with 600 nobblers. The Echo, in a paragraph headed "Charge the Six Hundred", was not prepared to say that he actually uttered these words but knew that he had paid an account for £30 for drinks supplied on election day, which, at 6d a glass, represented 600 nobblers.³

Publicans were well-placed to build up wide circles of personal contactsthat could be used for political purposes. This, combined with the vote-catching properties of drink, meant that the Licensed Victuallers' Association was a powerful force in election struggles. The Association had shown its willingness to take a partisan role in politics in 1865 when it supported McGlashan's bid for the Superintendency and it later played an important part in keeping Macandrew in power.⁴ Two of Macandrew's staunchest friends, Thomas Birch, a brewer and fellow Aberdonian, and "Bloody Jack" Sibbald, were members of the Association.⁵

Until the introduction of the secret ballot in 1870, voting was a very public activity. "Whippers in" were employed to influence voters as they arrived at the booths.⁶ W.H. Reynolds used to stand at the polling-booth door to solicit support.⁷ It was simple to discover how a person had exercised his suffrage.⁸ Large employers were therefore in a position to influence, perhaps in subtle ways, the preferences of their workers. After the 1867 election there were reports that R.B. Martin had threatened his employees with dismissal if they voted for Macandrew.⁹ When Andrew Kinross ran against Dillon Bell for Oteramika in 1871, Bell's supporters "acted very unfairly and threatened settlers if they did not vote for Bell

¹ J.G.S. Grant, Sibylline Leaves, p. 50.
² Echo, 4 February 1871.
³ Echo, 28 January 1871.
⁴ ODT, 31 July 1865.
⁵ Macandrew encouraged Sibbald to buy the valuable site of his Provincial Hotel at a time when the site was little more than a bog and apparently of little worth. Bruce Herald, 12 May 1876.
⁶ For example, Bruce Herald, 30 June 1869.
⁷ Otago Workman, 22 November 1890.
⁸ For example, ODT, 24 May 1867, (Provincial Council Debates).
that they would not buy their produce, and they must pay up what they owed, and used other methods of intimidation."¹

Only one instance of gerrymandering appears to have been noticed in the press, again involving Driver. When he first won the Roslyn seat in Parliament, Driver was run close by Colin Allan, who received many votes from the settlers of Waikari and Lower Kaikorai. The Roslyn boundaries were subsequently reviewed by a parliamentary sub-committee, chaired by James Macandrew, and some mysterious changes resulted. Areas that were hostile to Driver were shifted into the Caversham or Taieri electorates. Electors at Flagstaff had to pass the Roslyn booth and go ten miles to Taieri, and Pine Hill residents had to pass through Dunedin and three electoral districts to cast their votes. The Echo delighted in publishing the details of these "wonderful coincidences": "We do not believe in 'pocket boroughs' however necessary it may be to maintain Mr Vogel as Colonial Treasurer."² Driver was now willing to bet money on his return and threatened to give anyone coming forward against him "a d__d dressing".³

The Roman Catholic vote became influential towards the end of the provincial period. An Evening News article in 1867 asserted that certain goldfields towns, especially Queenstown, were Catholic strongholds.⁴ Haughton's popularity in the Lakes District was said to follow from the numbers of his co-religionists there. These claims did not pass uncontradicted, nor did allegations that Macassey received a block vote at the Lakes in 1872 and Manders likewise in 1876.⁵ It can at least be said that the goldfields were the centre of Roman Catholic influence in the 1860s.⁶

Bishop Moran's arrival was to be the catalyst for the growing organisation and assertiveness of Catholics in politics. Stories about priests greeting their flocks at the polling booths began to circulate after this date.⁷ The existence of a Catholic black-list was strikingly demonstrated in 1874 when G.E. Barton complained that he had been defeated in the general election by a Catholic block vote, and that Roman Catholics had spread rumours to Protestant voters that he was a lapsed

---

¹ A. Kinross, My Life and Lays, Invercargill, 1899, p. 32.
² Echo, 1 October 1870.
³ Echo, 14 January 1871.
⁴ Quoted in Lake Wakatip Mail, 15 June 1867.
⁵ Evening Star, 8 August 1872. Lake Wakatip Mail, 3 February 1876. Also Bruce Herald, 22 January 1878; 28 June 1878.
⁶ Until at least 1871, all Catholic petitions to the Provincial Council emanated from the goldfields. ODT, 17 June 1871.
⁷ The Southern League, 29 September 1871.
Catholic. Barton had been entrusted with presenting to the Provincial Council a Catholic petition on education but, because of his tardiness and lack of enthusiasm for the task, Charles Haughton had to take up the petition at the last minute. Bishop Moran believed his Church had been humiliated and saw to it that none of his followers supported Barton, whom he suspected did not want to "spoil" himself by close public ties with Catholics.  

There ensued a dramatic scene in Moran's study when Barton sought an explanation for this hostility:

... rising from his chair he [Moran] went over to a list of names on the wall, and pointing to one a little way down, he said, "Mr Barton! There is your name. We Catholics are not strong enough to put in a member of our own but whenever you or any of the other gentlemen named on this paper come forward to contest any constituency we will show you that we are strong enough to keep him out!"

If it was any consolation to Barton, the Orangemen promised him their block vote on hearing of this incident. The Catholic block vote, if it was such a potent influence on election results, was not likely to be mobilised in favour of the city’s business leaders. The Tablet was an enemy of "High Street" and wrote in disparaging terms of the "elite of society", which included "members of the Executive and Provincial Council, the parsons and the merchants; the lawyers and the doctors together with the run-holders and other well to do people."

Sources of Radicalism in Provincial Otago

The Agricultural Districts In his account of the 1867 election, McLintock remarks that "Macandrew's strength lay with the ever-growing radical element which, to conservative opinion, seemed likely to overthrow the stability of society." This apparently refers to Macandrew's enduring popularity among working people of Port Chalmers and the city. From the limited evidence, the basis for this appeal would seem to have been personal rather than ideological. It

1 Otago Guardian, 4 May 1874.
2 Otago Guardian, 2 May 1874.
3 QDT, 4 May 1874.
4 New Zealand Tablet, 13 December 1873, p. 6; 10 July 1875. On the subject of block-voting, see the issue of 3 January 1874, p. 6.
is difficult to establish a connection with an underlying social current in this period: many people simply delighted in Macandrew’s offensiveness to the pious and the wealthy, and others admired his generosity and initiative in the early days of settlement.

At first glance, it might appear strange that the same candidate received some of his most enthusiastic support in the country districts to the south of Dunedin. These favoured regions - the Taieri and Tokomairiro plains, Matau, Clutha Ferry and Popotunoa - had nurtured thriving farming communities and a class of prosperous agriculturalists; unlikely supporters, or so it would seem, for a man of Macandrew’s calibre.

Our clearest insights into the politics of this region come from the columns of the Bruce Herald. Established in 1864, the Bruce Herald became recognised as the most influential district paper in the country. More than any other journal at that time, it documents an awareness of the growing organisation of runholders and merchants. In 1865, correspondents to the Herald voiced alarm at the “political vitality” of the runholders and feared that the Squatters’ Association was attempting to destroy the hundreds system. From 1866, the paper’s Dunedin letter referred scornfully to the pretensions of the Dunedin “upper ten”. This hostility towards the Dunedin "clique" gathered strength during the election excitement of 1867. For too long the Province had been "a mere family estate managed by a small circle”. The Bruce Herald championed Macandrew’s candidacy, "in opposition to the wishes of the squatters and their liege lords, the merchants of Dunedin."

It took some time before the sense of a distinct political identity, which early emerged in the southern districts, could be translated into the consistent return of local candidates. The expense and loss of time involved in following politics allowed outsiders like Dillon Bell (Matau 1865) and R.M. Robertson (Taieri 1867) to obtain seats from time to time. Such intrusions, however, aroused resentment. At

1 Bruce Herald, 21 February 1867.
3 Bruce Herald, 4 May, 15 June 1865. See also 27 December 1867. The squatters’ league was also discussed at a meeting at Wetherstons in 1868. Tuapeka Times, 7 November 1868.
4 Bruce Herald, 4 January, 27 December 1866.
5 Bruce Herald, 14 February 1867.
6 Bruce Herald, 21 February 1867.
the Tokomairiro election of 1866, John Hardy opposed the nomination of David Forsyth Main with this speech:

... neither a lawyer, nor yet a resident in Dunedin, was the proper person to represent Tokomairiro; and, of all Dunedin men, the Secretary to the Squatters' Association was the last man the ploughmen of Tokomairiro should select as their member. They were all aware that questions had arisen in the Council, and might again arise, in which the agriculturalists were ranged on one side and the squatters on the other, and although Mr Main, if elected, might not intend to act in antagonism to their interests, still, in such an event, he could not judge impartially. The plodding tillers of the soil of Tokomairiro had always heretofore found one amongst them to represent them... Mr Landels lived among them, and was an agriculturalist, and also a man of education and ability...¹

Main gracefully retired from the contest and Landels was elected without opposition. David Pike Steele consented to his re-election in 1864, reportedly because "they could not find another man at the Clutha to fill his place who was sufficiently free from the 'squatter' taint."² Localism could also work in the wrong direction. Jealousy between the three districts of the Taieri split the vote for local candidates and allowed Vogel and Driver to win seats there in 1866.³

The style of politics typical in the southern districts took longer to evolve in the north. Much of the agricultural land had been held back from sale until the early 1860s, then capitalists had prevailed at the auctioning of the hundreds. As a result, the North Otago landscape continued to be dominated by big landowners - men whom the Echo referred to as the "Oamaru Lords".⁴ It was not until the advent of the Oamaru Mail, under the editorship of George Jones, that North Otago produced a journal comparable in tone to the Bruce Herald.⁵

Oamaru remained a distant outpost for most of the provincial era. Its political concerns tended to be local, the development of its port being a major preoccupation. The voters of Oamaru Town acknowledged the importance of pastoralism in the local economy by consistently sending runholders or their

---

¹ ODT, 3 September 1866.
² Oamaru Times, 24 March 1864.
³ Oamaru Times, 10 May 1866.
⁴ Echo, 15 April 1871.
⁵ Echo, 8 January 1870. The Oamaru Times was described in the Bruce Herald as a "joint-stock squatting organ". Bruce Herald, 21 February 1861.
sympathisers to the Provincial Council. The Lindis seat, a runholders' stronghold, existed from 1863-1870. Electoral success at Waikouaiti depended very largely on the support of the Jones and Orbell families. Members of these clans, their tenants and others economically dependent upon them, made up the bulk of the voters. John McGlashan had this fact impressed upon him when he was defeated 21-16 by Vogel in 1863. Seventeen people signed the requisition to Vogel, seven of whom belonged to the Jones and Orbell families. At the announcement of the poll McGlashan made the observation: "When one looks at the long string of family names that appear on the electoral roll, the members of which were happily united in sentiment as in interest, the result of the election is accounted for." Three other representatives of Waikouaiti were sponsored by these two families: MacLeod Orbell, George McLean and James Mills.

The example of the southern country districts guided the more gradual development of settler politics in the north. When MacLeod Orbell nominated George McLean to be his successor as MPC for Waikouaiti in 1869, Matthew Todd put up John McKenzie in opposition and harangued the voters with these words:

... he [Todd] came forward to propose a Waikouaiti man [Mackenzie]... In his opinion it would be a disgrace to the electors if they agreed to accept as their representative a gentleman who had been sent by the squatters from Dunedin. Let them follow the example of the electors of the Taieri district, who did not fail to return a local man.

The politics of the agriculturalists were often described as radical or even socialist, but their programme was, in a sense, quite conservative, although it contained enough to upset the economics of the runholding industry. Their vision of the Province's future was of close-knit rural communities centred upon the church, the school and the family farm, and rights of private property were deemed inviolable. Their radicalism lay only in a desire to make the great capital resource of the colony - its land - available to as many as possible. The whole

---

1 These men were: H.J. Miller (related by marriage to the Orbells), Herbert St Amelius Julius, James Ashcroft and "Big" John McLean. Samuel Gibbs, the town's mayor, was elected in 1867, but could not take up his seat because of bankruptcy.
2 It was held by Frederick Walker until 1866 and, after his death, by Henry France, an auctioneer of Oamaru, who became bankrupt in 1872. Evening Star, 11 March 1872.
3 Daily Telegraph, 29 June 1863.
4 Daily Telegraph, 29 June 1863.
5 ODT, 7 April 1869.
purpose of colonisation was, after all, to afford the small man a realistic prospect of improving his lot, as they had done, through hard work and perseverance. Humanity and moderation were their touchstones in politics. The Bruce Herald argued that "it was not for or by a few monied men that this Province was originally settled, but by a class rich in strong wills and brawny arms, though not without those other sinews which the frame contains."¹

These were sentiments that had always been influential in Otago politics. W.H. Cutten, a founding member of the "Liberal Party", had expressed them in the columns of the Otago Witness while castigating the runholders in 1861. To his mind, Jones and McMaster were attempting to subvert the unwritten charter of the Province:

... we hold that the mere creation of wealth was not the object of this Colony. We came here, it is true, to better our worldly prospects; but we came not to witness the spectacle of the few acquiring wealth with ease, and the many toiling to the destruction almost of body and soul to earn their daily bread. We came in part to escape the false state of society attaching to the old country - of excessive riches and extreme poverty²

This tendency of thought together with the clamour for land after the goldrushes largely explain the enthusiasm with which Macandrew was received in the agricultural districts in 1867.³ When he later fell into the embrace of the "High Street Clique" - that combination of runholders and merchants symbolised by the Dunedin Club - the movement he had helped to foment was channelled in other directions. The yeoman farmers of Otago turned to leaders from among their number, men such as Donald Reid, J.L. Gillies and J.W. Thomson. With less enthusiasm, they formed an alliance of sorts with the politicians of the goldfields and thereby tapped a very different brand of radicalism.

Victorian Influences on the Political Climate of Business Assessments of the Otago goldrushes have tended to minimise their impact on the political environment. McLintock could see no drastic change to the social pattern,

¹ Bruce Herald, 19 May 1869.
² Otago Witness, 11 May 1861.
³ Macandrew's charismatic appeal, however, should not be underestimated. Some early settlers had benefited from his generosity when his business position had been healthier. See, for example, the report of Macandrew's Hampden meeting, Bruce Herald, 21 February 1867.
although he believed the Australians "curbed to a considerable extent the growing power of the pastoralists who, by the early sixties, were becoming a dominant force in provincial politics." ¹ This exaggerates the strength of the runholders in the years before the goldfields gained significant representation in the Council. The advent of goldfields representatives did nothing to enhance the runholders' position, but we have already seen how their ambitions were checked in 1861, before the first goldrush. To McLintock's mind, however, it was not the miners who were the real agents of political change, but those who arrived in later migrations: "... hundreds of labourers and artisans... drawn from liberal and even radical groups in the homeland".² Morrell's histories of the goldrushes and the provincial system make scant reference to the political contribution of the Victorians. He believed that the mining communities were "assimilated pretty completely by the general population of Otago."³ Oddly enough, Morrell thought there was "no discernible connection" between the goldrushes and "a new democratic movement which arose in the later 60s and early 70s".⁴ Of all the earlier writers, Salmon best does justice to the political importance of the goldfields in his short summary of the land question in the early 1870s.⁵

Like McLintock, more recent scholars have been unable to find a significant political role for the population brought to Otago by the goldrushes. Eldred-Grigg considers the goldrushes to be almost irrelevant to the main themes of South Island history. "Gold was a temporary, colourful, but marginal excrescence."⁶ The great landowners merely waited for the fuss to die away and resumed "the economic reins for another generation".⁷ The miners "settled down into a distinct lower class."⁸ They were, he argues, "no threat to capitalism or to the great estates".⁹

Olssen briefly touches upon the issue of miners and politics in "Lands of Sheep and Gold". He refers to Eldred-Grigg's interpretation without critical remark. The extent of his agreement is perhaps implicit in the thrust of his own argument. Olssen maintains that the Otago goldfields were fairly orderly places

---

⁶ S. Eldred-Grigg, A Southern Gentry, p. 42.
⁷ S. Eldred-Grigg, A Southern Gentry, p. 42.
⁸ S. Eldred-Grigg, A Southern Gentry, p. 40.
⁹ S. Eldred-Grigg, A Southern Gentry, p. 41.
because the provincial administration implemented policies that had proved successful in Australia. Ample land was made available for settlement, and the political attack on the squatters was, in any case, only "erratic and intermittent". The demands of the Victorian "radical-democratic movement were woven unobtrusively into the fabric of New Zealand life". Olssen thus perpetuates the idea that Victorian influences were strangely muted in Otago. Their potential disruptiveness was anticipated and the demands of the radicals were quietly accommodated through prudent administration.

It might be questioned whether the received view allows adequate assessment of the political environment of business during the provincial period. The passages below examine the nature of Victorian influences in the public affairs of Otago, from which it should be apparent that these created another important and distinct strand of radicalism. When briefly united with the agriculturalists, the goldfields politicians prevented the mercantile-pastoral faction from controlling the speed and manner of land sales. Had the two sources of radicalism been more compatible, the Provincial Council might have gone further in this respect. Notwithstanding this, the Otago Provincial Council came to be regarded as the most radical in the country.

McLintock’s perception that miners made little contribution to public affairs in Otago is partly explained by the electoral disadvantages of that group. The full impact of the goldrush population on Otago politics was delayed until its voting power had been dissipated by the exodus of miners that began in 1865. Under the original Miners’ Electoral Ordinance, persons holding a miners’ right of a certain duration were able to vote for the Superintendent and two places in the Provincial Council. The Council was dissolved in 1862 to ensure that the new elections would be over before the bulk of miners were enfranchised. Their electoral rights were then altered by statute. This raised to three the number of goldfields seats in the Provincial Council but, in order to vote, it was necessary to possess a business licence or miners’ right held continuously since April 1862.

The late publicity accorded this change meant that very few miners were in a position to vote for the Superintendent or their three Councillors in 1863. Most no

---

1 E. Olssen, "Lands of Sheep and Gold", p. 45.
2 E. Olssen, "Lands of Sheep and Gold", p. 43.
4 Otago Witness, 14 February 1863.
5 ODT, 5 August 1865.
longer possessed proof of their eligibility and nine out of ten miners were said to be disqualified.\(^1\) The upper goldfields, with their dispersed and newly-settled population, were at a particular disadvantage. The *Lake Wakatip Mail* claimed that, because very few men on the new fields recorded a vote, the three members (Brodie, Hughes and Baldwin) represented only two hundred men and not the 11,000 who should have been enfranchised.\(^2\)

Brodie's proposal to increase the number of mining representatives was thrown out by the Council of 1863. The *Lake Wakatip Mail* greeted this rejection with its usual bluntness:

> It seems that "the powers that be" have decided on refusing to the miners any further share in the government of the country they live in, preferring a clique of wool and mutton lords or clodhopping agriculturalists, who according to Old Identity ideas, constitute the whole wealth of the country.\(^3\)

Brodie's 1864 bill for the better management of the goldfields, which also provided for increased representation, met the same fate. "The Old Identity took special umbrage at it", he explained to his followers.\(^4\) Goaded by E.B. Cargill, Brodie took this defeat as almost a personal affront and thought the miners had been slandered as "a dangerous class" - "Were they that seething, fermenting mass, they were represented to be by the member for Dunedin?"\(^5\) Vogel tried to placate the goldfields members by moving three new seats for the goldfields towns. Brodie was sceptical about Vogel's motives and believed that he wished only to protect the seats of his squatter supporters at Lindis and Manuherikia, who were likely to be turned out in the next poll. The measure was defeated anyway, but Brodie warned that miners could return one third of the members when there were new elections.\(^6\)

In 1865, Brodie helped to fulfil his own prophecy at the by-election for the Manuherikia seat. It had previously been the custom for a handful of runholders to gather at Hepburn and McMaster's Padan Aram station and decide, "over the

---

1 *Otago Witness*, 27 June 1863.
2 *Lake Wakatip Mail*, 11 July 1863. In 1867 the *Dunstan Times* claimed that three quarters of the district's voters were virtually disfranchised by their remoteness from polling places. It complained of the Tuapeka bias in goldfields elections. Quoted in *ODT*, 26 March 1867.
3 *Lake Wakatip Mail*, 3 October 1863.
4 *Otago Witness*, 1 January 1864.
5 *ODT*, 25 April 1864.
6 *ODT*, 10 May 1864.
walnuts and the wine - rather, perhaps, over the mutton and the damper", who should be their member.¹ This time, fifty diggers and tradesmen came up from Dunstan, led by Brodie and Donald McPherson, and soon revealed "that miching malico was intended."² McPherson was proposed in opposition to Dillon Bell, the squatters' candidate, and won easily. The Dunedin Punch celebrated the event with some rhymes beginning:

Twinkle twinkle little Bell  
How you wondered at the sell  
When the Dunstan diggers came  
To defeat your little game.³

The creation by Parliament of three new district seats for the goldfields allowed Brown, Isaacs and Haughton to enter the Council in 1865. This strengthened the hands of Brodie, Mouat and Hughes, who, for four sessions had been:

... arrayed against the rest of the Council, whose whole aim seemed to be to drive the diggers out and keep the Province intact as a sheep walk for their own especial benefit... The Opposition - the Old Identity - ... were narrow minded and bigotted.⁴

That year, upon the resignation of Hyde Harris, the Victorians had an opportunity to contest the Superintendency. There was much speculation as to the likely candidates. Thomas Dick emerged as the man favoured by the old settlers and the Dunedin Upper Ten - "the 'haw-haw!' interest".⁵ His main opposition was from what some papers styled "the ultra-Victorian party".⁶ The leaders of the Victorian faction were William Wilfred Wilson, a nomadic lawyer who was once in partnership with T.L. Shepherd, Charles Bird, a publican and partner of Shadrach

¹ Dunstan Times. 24 March 1882.  
² Dunstan Times. 24 March 1882.  
³ Dunstan Times. 24 March 1882.  
⁴ Lake Wakatip Mail. 20 February 1867. This remark by John Mouat is strange, given that he had been in the Council for more than four sessions and there were other men who were, in effect, representatives of the goldfields. There seems to have been a tendency among miners' spokesmen to consider those Councillors elected by the special miners' franchise as the only representatives the diggers possessed. See the speech of C.C. M'Intyre, ODT, 30 March 1868.  
⁵ ODT. 29 July 1865.  
⁶ Oamaru Times. 20 July, 14 September 1865; 11 January 1866.
Jones at Sandhurst and Dunedin, and John Crate. Horace Bastings and Edward de Carle were also involved.  

The emergence of this group as a political force was a short-lived phenomenon. Some of these men had been conspicuous in the separation movement. Wilson was a mayoral candidate in the first municipal elections and Crate ran for the City Council. Both were unsuccessful. They declared, rather vaguely, their opposition to "Old Identity" principles and bore the label "New Iniquities" with pride.

Edward McGlashan was an obvious choice of candidate for them. He was "one of the oldest of Old Identities" yet denied that he held "Old Identity principles". McGlashan was known on the goldfields through his investment in early mining companies but, more importantly, he had lived in Victoria and thus had:

... as much right to call himself "Victorian" (that label which is supposed to be synonymous with "one initiated in the arts of progress") as many of his fellow citizens who are very proud of it.

Bird and Bastings brought him the support of the Licensed Victuallers' Association and the Victorians exerted themselves on his behalf.

The timing of the election was against them. There were four thousand electors on the new Superintendency roll that had been drawn up after the alteration in the voting qualification in 1864. The majority of these men were Victorians but they did not become eligible to vote until several months after the election. Had they been enfranchised, McGlashan's victory would have been looked upon as a certainty. Instead, Dick romped home by 738 votes to 384 under the old electoral roll, which was both small - 1800 names - and dominated by the old Otagonians of Dunedin and its surrounding districts.

1 ODT, 16 July 1865.
2 ODT, 20, 21 July 1865.
3 ODT, 20, 21, 31 July 1865.
4 ODT, 29 July 1865.
5 Oamaru Times, 20 July 1865.
6 ODT, 31 July 1865.
7 Oamaru Times, 20 July 1865.
After this defeat, the Dunedin "ultra-Victorian" faction fell into decline. Many of its members left the Province in the depression. Bastings, Bird and de Carle were quietened by bankruptcy. Bird, ironically, later became the much-loved manager of the Dunedin Club. W.W. Wilson, who was expected to stand for the Provincial Council, recommenced his wanderings and was next heard of in England.

"Old Victorianism" in this naked form was never again such a direct political influence in Dunedin. There was no sign of it at the time of Macandrew's election in 1867. Brodie still kept up the pressure in the Provincial Council. In 1866 he managed to take office with Mouat, John Cargill and A.J. Burns. A realignment of the Old Identities cast out his ministry after nine days, before he had announced any policy. The session then degenerated into an ill-tempered affair. During one of the hottest debates, on 10 January, Frederick Moss exclaimed in frustration, "the members of the goldfields had done their utmost to lay down a mark of demarcation between the rest of the country and the goldfields." Brodie, Mouat and Haughton led the campaign for a dissolution, pointing out that the present Council had been elected when there were 1800 men on the rolls and the 6-7,000 who were now qualified were not represented. "Honourable members should consider this and lay aside all dislike of Vogel and the goldfields members." Haughton went to Tuapeka to stir up feeling among the miners and "stigmatised in showy language the action of the Old Identities in throwing out the Brodie ministry".

A general election was held in 1867 and the Victorian element in Dunedin expressed its contempt for the sensibilities of old Otago by contributing to Macandrew's election as Superintendent. By then, many miners were registered on the electoral roll, having satisfied the property qualification, and their miners' right gave them a second vote. The miners' right vote could be exercised in any
goldfields constituency and this began to produce anomalous results. H.D. Maddock lost his Wakatipu seat to Matthew Hay, his eight squatter supporters outvoted by twelve miners who did not even reside in the district. Haughton agitated for the abolition of all plural voting, including the miners' right qualification, and urged a system of manhood suffrage. Shepherd, on the other hand, opposed any reduction of the miners' electoral privileges. In 1870 he warned a Cromwell audience of the threat they faced: "The old Scotch settlers are determined to hold the reigns of power, and they can and do exert a powerful influence."

Hay's election for Wakatip aroused discontent on the upper goldfields, especially when Shepherd announced his intention of living at Lawrence. This would mean that all the mining representatives in the Council were Tuapeka men, the Dunstan seat having fallen to a runholder, William Fraser, and Manuherikia to D.F. Main. The electoral dominance of the more concentrated fields at Tuapeka was a long-felt grievance to which C.C. McIntyre gave further expression at the Mining Conference of 1868. He asserted that the goldfields members were not looked upon as representatives; Tuapeka held sway altogether. It was grossly unfair that the goldfields, which had 9,307 of the Province's 20,362 male inhabitants, were given only three of the thirty-eight seats in the Council. The special goldfields seats were abolished in 1870 and replaced by district constituencies. Mining communities then had ten of the forty-seven seats, which was hardly a great improvement.

Not surprisingly, it was in the remote communities of Central Otago, rather than Dunedin, that the Victorian sense of identity was nurtured and retained. The rhetoric of Old and New Identities remained current there for the duration of the provincial period, its relevance sustained by the rural-urban conflict of the early 1870s and the perceived power of the runholders and the capitalists of Dunedin. Olssen under-emphasises this tradition and assumes that the radicalism of the

1 Otago Daily Times, 15 July 1873.
2 Bruce Herald, 3 April 1867.
3 Cromwell Argus, 17 May 1870.
4 Dunstan Times, 3 April 1867. Fraser's election was greeted with some enthusiasm because of his liberal attitudes, but critics were quick to accuse him of self-interest in his support of Vogel. See Dunstan Times, 14 June 1867; 1 May, 29 May, 5 June, 12 June 1868. He was defeated by Shepherd in 1871 after a neighbouring runholder rashly impounded miners' stock shortly before the election. ODT, 15 February 1871.
5 ODT, 30 March 1868. (Deputation of Members of the Mining Conference to the Superintendent.) This overlooked the fact that Haughton held the Lakes constituency.
miners naturally blended with that of the agriculturalists.\(^1\) In his account, the timing of their union is not identified and the cultural differences that kept the alliance unstable are ignored.

The Victorians, and the diggers especially, arrived in Otago with a well-developed conception of themselves as a distinct colonising movement. They were the "energetic colonists"\(^2\) who wished "to drive all before them at high pressure railroad speed."\(^3\) The Victorian miner was "the greatest wealth producer this country has yet seen."\(^4\) According to the popular image, he was a being blessed with noble virtues: innovative, bold, egalitarian and manly. He despised the urban swell who worshipped at the shrine of kid gloves and macassar oil:

Turn to the digger and what a contrast! Rough and ready in dress, outspoken and fearless in conversation, he is there willing to assist a friend or encounter an enemy. Not abounding in fustian phrases; not in the least given to look down on any brother miner.\(^5\)

He was certainly not be seen as a mere proletarian, as the \textit{Dunstan Times} made plain:

A miner is not a common labourer, even let his earnings be ever so small. He is a speculator, and as much a businessman as many of our leading citizens, notwithstanding that he plies the pick and shovel to obtain a living. He is in the independent position of employing his own labor. The nature of his calling demands greater physical exertion than were he perhaps working for others, but this is one of the exigencies of his position.\(^6\)

The miners who flocked across the Tasman in the early 1860s were by no means a disorganised mass. Most shared elements of a sub-culture that had evolved on the diggings of California and Australia.\(^7\) Victorians used a distinctive and, to outsiders, mystifying vocabulary. A Dunedin judge showed himself to be

---

1 E. Olssen, "Lands of Sheep and Gold", p. 45.
3 \textit{Dunedin Punch}, 12 August 1865.
4 \textit{Otago Witness}, 28 December 1861.
5 \textit{Tuapeka Times}, 9 January 1869.
6 \textit{Dunstan Times}, 3 March 1871.
unfamiliar with "the diggers' language" when he mistook "fossicker" to mean "loafer".  

The "Old Identity" settlers stood at their gates as we passed, in open mouthed astonishment; they were made the constant butts of digger wit, but the chances are they did not understand a word said to them.

Educated men found the new terminology amusing. Ritchie wrote home to his family saying, "I look forward to keeping a shanty myself when I fall in with a respectable mate. (This is a digger term & means a gentleman companion when a gentleman uses it)." Also in matters of dress and the observance of peculiar goldfields rituals, the Australian miners on the early rushes asserted their cultural self-sufficiency.

The miners' self-image was partially defined in antagonism to other parts of Otago society. While the Victorians were the agents of civilisation and modernity, the Old Identity stagnated in a condition of barbarism. Readers of the Dunstan Times were informed in 1873:

If ever there existed an ignorant superstitious lot of people it is the old settlers of Otago. They never saw anything before they left home, and had never seen anything since, and if ever their minds were enlightened it must have been on the passage out.

Gold, and the addition of a large Victorian population, had redeemed these "addle-headed Old Identities", this "whisky imbibing population", from "a state of semi-savagery". Miners had breathed life into the land and increased in value all kinds of property. Had it not been for them, men who now lived in affluence, "would still have been living in their mud hovels and grovelling about in a semi savage state, among their potato fields and corn patches." The aspirations of the old settlers:

---

1 Arrow Observer, 24 May 1872.
2 Southern Mercury, 31 January 1874.
3 Ritchie to Isabella, 9 May 1866, p. 93, Ritchie Papers.
4 Quoted in Arrow Observer, 28 February 1873.
5 Dunstan Times, 3 March 1871.
6 Dunstan Times, 3 March 1871.
... never soared higher than enjoying the rural felicity of a residence in a rude mud hovel. Circumstances have proved that the Old Identity are behind the times. Any new law or infringement of established custom is strenuously opposed by them.¹

Even more extreme was the view expressed by a miner in 1862:

The old inhabitants here are a strange race... they are for the most part cringing, mean, and selfish to the last degree. The Victorians and others are fast elbowing and snubbing them into that retirement which their sentiments and habits particularly qualify them for; out of sight and mind they are very inoffensive, like pigs on a model farm.²

Residents of the agricultural districts attracted a good share of this kind of abuse. They were sluggish yokels who had grown fat on the extortionate prices the miners had had to pay for food. Their cautious approach to the land question and public works expenditure seemed absurdly backward to the Victorians. Donald Reid and the "Taieri boors"³ could even be lumped together with men like E.B. Cargill and Captain MacKenzie, the "semi-bovine addleheaded representatives" who were the enemies of the mining interest.⁴ The ousting of Reid's short-lived Government in 1868 was therefore welcomed by the Dunstan Times, although his successor could hardly be viewed as a friend of the goldfields:

Mr Vogel is again at the head of affairs in Otago, and the up-country districts, notwithstanding that gentleman's unfortunate predilection for the squating interest, may congratulate themselves upon the overthrow of the Reid ministry, and their escape from the dictum of the Taieri farmers... The Arcadian simplicity of the Reid ministry was really amusing. Such a policy might have been acceptable were the entire province comprised within the Sylvan Groves of the Taieri, but instead of so much rural bliss, we have the Goldfields, and upon them residing a thinking and progressive population, ready to do battle with

¹ Dunstan Times, 28 April 1866.
³ Dunstan Times, 16 November 1866.
⁴ Dunstan Times, 7 December 1866.
difficulties as they present themselves, and who never will submit to be ruled by a faction, little better than "old women."\(^1\)

Dunedin was portrayed as a den of parasitic shopkeepers and petty merchants who creamed off the wealth created by the digger and hoarded it unto themselves. It was the seat of political corruption and the nursery of schemes to defraud the goldfields of their due. In the eyes of the *Mount Ida Chronicle*, it was "a large whitened sepulchre, beautiful without, but within full of rottenness and decay."\(^2\) Nothing in Otago could compare with what had been left behind in Victoria:

Dunedin after all is but a poor insignificant place, not one half the size of Ballarat, and without possessing a tithe of its energy, business knowledge or enterprise, while its leading geniuses would scarcely be considered in any third rate Victorian Goldfields' Town above the common order of mediocrity.\(^3\)

A theme of persecution ran strongly through the goldfields journals in the provincial period. Miners were encouraged to believe that they were victims of a conspiracy to portray them as inferior citizens. The *Lake Wakatip Mail* affirmed that the digger was regarded as "the bete noir of the province - an incomprehensible sort of animal, fit to work and be preyed upon but which must be 'kept under' morally and physically."\(^4\) The *Dunstan Times* was still writing in the same vein at the end of the decade: "Dunedin people will persist in believing the gold fields are of no value and that they are inhabited by a class of people who partake either of the nature of the gorilla or savage."\(^5\)

Politicians inevitably played on this sensitivity. Brodie told his constituents in 1863 that he had tried "to show the Old Identities that there were others living in the country than them alone". But members of the Provincial Council were "not much impressed in your favour. They recognise your existence but not as part and parcel of themselves." Fortunately the introduction of the Victorian element was

\(^{1}\) *Dunstan Times*, 5 June 1868.
\(^{2}\) Quoted in *ODT*, 29 August 1871.
\(^{3}\) *Dunstan Times*, 20 November 1868.
\(^{4}\) *Lake Wakatip Mail*, 26 July 1863.
\(^{5}\) *Dunstan Times*, 26 November 1869.
forcing a change "in their obsolete customs". Two years later he told a similar gathering that "the Assembly took a most hideous view of them as miners."

Such remarks gained plausibility from the real hostility encountered at the start of the rushes. In the first sermon that James Bates heard in Otago, the congregation was urged "to keep far from these men who have no fear of God or man." Another early arrival testified:

I was not a Scotchman, and was therefore in the eyes of the "Old Identities" a very Pariah, at whom any Jock or Sandy might fling stones with impunity... I spent some days in Dunedin in search of employment, but the "Old Identity"... were shy of having anyone about them who could not speak their language, and as Otago-Scotch was quite beyond my powers, I was forced to make up my mind to start for the diggings, where at any rate I should be sure of the society of hundreds of barbarians as ignorant of Dunedin vernacular as myself.

Feelings of separateness were fostered on the goldfields by the physical isolation of the region. Three days was the usual time for a letter to reach the Lakes by the end of the 1860s, but when road conditions were poor, as was frequently the case, there were long delays. It took nine days for the Dunedin mail to get as far as Tuapeka in October 1867. Once the winter set in, drays and wagons were weeks and even months on the road. Impenetrable bogs dotted the major routes. In 1868 a lightly-laden wagon drawn by twenty-four bullocks was stuck for two days at Beaumont Ferry, unable to move an inch. As a Queenstown correspondent explained in 1875, "a few days rain and frost, except at the imminent risk of life and limb, practically cuts us off from communication with the outer world." In 1865 the Tuapeka Recorder reminded readers of the previous winter, when the district was in danger of:

---

1 Otago Witness, 17 October 1863.  
2 Lake Wakatip Mail, 9 August 1865.  
4 Southern Mercury, 31 January 1874.  
5 Mount Ida Chronicle, 1 September 1871.  
6 Lake Wakatip Mail, 17 October 1867.  
7 For example, Daily Telegraph, 11 May 1863.  
8 Tuapeka Times, 20 June 1868.  
9 ODT, 13 July 1875.
... being cut off from all communication with the sea port and produce market of the Province. Under such circumstances what other result could possibly follow, than that we were doomed to drag out a precarious existence, besides paying famine prices for such articles of consumption as were absolutely indispensable.  

Dunstan in winter was "like a beleaguered city encompassed by hostile armies, we stand the risk of being cut off from all communication with the outer world, and driven to depend solely on our own resources for subsistence".  

Early forms of social organisation on the goldfields reflected the different cultural milieu of the diggings. "Civilisation" and social stability were measured by the spread of a movement to reduce the price of a nobbler from 1s to 6d. The agitation began on the Tuapeka fields in 1865 and had progressed to the more recent and remote diggings by the end of the decade. Land leagues and progress committees were an important manifestation of the tendency to organise that developed as the 1860s wore on. The first and most vigorous of these began at Lawrence in 1868 with the object of wresting land for settlement from nearby runs. A similar body was formed at Mount Benger the same year. In that district "Money" Clarke had been "driving the people mad" with the prices charged for pasturage on Moa Flat. George Ireland was a founding member of the Mount Benger group. J.C. Brown and Horace Bastings were at the forefront of the Tuapeka League, and the editor of one Lawrence newspaper and the proprietor of the other were also office-bearers. Meetings, lectures, petitions and deputations were its modi operandi. The Tuapeka Times suggested that without the League as a safety-valve "riotous demonstrations unparalleled in the history of the colony would be the result". Its impetus fizzled out after several years and the blight of localism sapped much of its strength. It is likely that the old Victorian Land Convention served as part of the inspiration for these land leagues. This is certainly true of one started at Cromwell

---

1 Tuapeka Recorder, 1 September 1865.  
2 Dunstan Times, 19 February 1869.  
4 Lake Wakatip Mail, 5 November 1868  
5 ODT, 11 January 1868.  
6 New Zealand Sun, 26 December 1868.  
7 Tuapeka Times, 5 December 1868.
in 1869.\(^1\) A proposal for a National Land Reform League, which appeared in the *Southern Mercury* in 1874 and probably issued from the pen of Vincent Pyke, also appears to have used the Convention as a model. This National League was to have a permanent committee sitting in Dunedin "to prevent by all legitimate means the further alienation of the People's Heritage. Herein is the only possible way whereby to save the poor remnants of the public estate from the devouring maw of the capitalist."\(^2\)

The first mining association was formed at the Arrow in 1871 as a response to certain perceived pressures on the mining industry.\(^3\) These included taxation, competition from the Chinese, the encroachment of agriculture on auriferous ground and the lack of adequate representation in politics.\(^4\) After a year, its membership stood at over 200.\(^5\) A manifesto was sent around the other Otago goldfields urging the creation of similar bodies under a common banner.\(^6\) Miners were reminded of the position of their brothers in Australia:

> Look to Victoria! There the mining interest rules the destiny of the country; her miners would never submit to unjust and oppressive taxation, nor bend under the rule of the squatter or the landjobber. There is yet to be traced in her laws that voice of the people which made itself heard by energetic co-operation in the early days of the gold-diggings which shows that Miners' Associations have not existed in vain, but on the contrary that they have fulfilled an important and beneficial part.\(^7\)

Mining associations were soon in existence at Clyde, Waipori, Cardrona, Lawrence, Naseby, Cromwell and Switzers.\(^8\) The Bannockburn and Carrick Range branch boasted a membership of 118 in 1873.\(^9\) Thames goldminers expressed

\(^{1}\) *ODT*, 6 May 1869.  
\(^{2}\) *Southern Mercury*, 6 March 1874.  
\(^{4}\) *ODT*, 7 December 1871.  
\(^{6}\) *Mount Ida Chronicle*, 25 August 1871.  
\(^{7}\) *Mount Ida Chronicle*, 25 August 1871.  
\(^{8}\) *Arrow Observer*, 21 June 1872; 31 July 1875. *Mount Ida Chronicle*, 31 July 1875. The Minute Book for the Cardrona Association (1872-87) is held at the OESM. There were forty-five members in 1875, but in October of that year the Committee complained of the apathy of its members.  
\(^{9}\) *ODT*, 16 July 1873.
interest in the movement and sent an ambitious suggestion for a worldwide
miners' organisation to counteract oppression.¹

These groups were mainly concerned with local mining issues - sludge
channels, water rights and breaches of the eight hours system on company claims.²
The Bannockburn miners proposed the creation of a joint stock bank to purchase
gold at a higher price than that offered by the commercial institutions.³ A
representative committee of all the associations was formed under the title of the
Central Executive of the United Miners' Association and continued for at least
several years.⁴ The Southern Mercury was its general medium for communication
with miners until that organ fell into the clutches of "a High Street directory".⁵ It
was then disowned by the Association.

The radicalism of the goldfields' population tapped intellectual and political
currents far-removed from those influencing the agricultural districts. This is
discernible in the backgrounds of their leaders during the provincial period. The
advent of these "Victorian democrats" caused disquiet in Otago society. Would
men of a reckless disposition seize the initiative in political life? How would the
rights of property be treated? The election of the first three mining representatives
did little to allay these fears. "Honest" John Hughes was a miner at Tuapeka about
whom nobody knew very much. William Baldwin was the least alarming. He was
a runholder and related by marriage to one of Dunedin's Upper Ten families, the
Buchanans of Chingford.⁶ George Brodie, on the other hand, was quite beyond the
pale. Before his arrival in Otago a sharebroking scandal had forced him out of
Heale's cabinet in the Victorian Legislature. The Daily Telegraph, the organ of
W.H. Reynolds and Hyde Harris, had announced Brodie's election to Parliament
with undisguised horror.⁷

¹ Arrow Observer, 12 April 1872.
² For example, miners at Carricktown drew attention to the fact that on quartz reefs at Bendigo Gully and
the Carrick Range the ten hours system of labour had been introduced. The Committee of the Arrow
Miners Association stated that, although an insignificant amount of European labour was employed in this
way, the Association would make efforts to secure the eight hours system. Arrow Observer, 12 April 1872.
³ Arrow Observer, 16 January 1874.
⁴ Echo, 23 September 1871. Mount Ida Chronicle, 31 July 1875.
⁵ Mount Ida Chronicle, 7 January 1876. Southern Mercury, 27 February 1876.
⁶ Baldwin's election was said to have been a clandestine affair, with only a small number present at the
nomination. He affected to be a miner and shouted for all hands after his victory. Daily Telegraph, 25
April 1863.
⁷ New Zealand Examiner, March 1863.
The worst fears of the nervous have been realized. One of the rampant place-hunting politicians of Victoria has been elected a member of the House of Representatives of New Zealand... we... know that some of the black sheep of the Victorian Democrats have been imported. We do not hesitate in placing Mr Brodie among the blackest of the black sheep...¹

Brodie was a victim of anti-Victorian prejudices throughout his career in Otago, but other Victorian politicians often found it convenient to exploit this snobbery for their own purposes. Thomas Luther Shepherd told the miners of Blue Spur:

He was essentially a miners' advocate, and contended against the intense selfishness of the squatters, who, because they had a few scabby sheep considered themselves gentlemen. He did not go to Dunedin to do the "heavy swell" at the Club, but to work, and would rather shake hands with one miner in Princes Street, than twenty squatters.²

With one of the newcomers, however, few could find fault. Moses Wilson Gray was already famous throughout Australasia and although he did not take any direct part in New Zealand politics, he was one of the most influential public men on the goldfields. Gray was a saintly figure and his extreme humility was legendary. He was active in Irish politics as a member of Young Ireland and as editor of his brother's paper, the Freeman's Journal. In 1855 he joined the diaspora of Irish intellectuals to the Australian colonies, landing in Victoria with Charles Gavan Duffy, a future Premier of that State. Gray rose to prominence in Victoria by becoming the first president and perhaps the principal architect of the Land Convention, which later became a potent symbol in public life on the Otago goldfields. The Convention was a body of some eighty-nine democratically-elected representatives and was intended to rival the sovereign Legislature. Between 1857 and 1860 it was a significant force in Victorian politics. Its large following and radical position on the land question alarmed conservatives and won it tremendous popularity. The liberal measures enacted by the first two Victorian Parliaments owed much to the pressure exerted by the Convention,

¹ Daily Telegraph, 21 April 1863.
² Dunstan Times, 3 February 1871.
whose members deliberated in a hotel across the street from the House of Assembly.¹

Wilson Gray occupied himself in Dunedin by devilling for George Elliot Barton, his former colleague in the Victorian Parliament and an early member of the Otago "Liberal Party". Gray was soon appointed a district judge on the goldfields circuit. Although often pressed to stand for the Superintendency, Gray maintained a judicial aloofness from affairs of state and confined himself to occasional discourses on social issues.² Even his casual utterances were treated as oracular and were often reproduced in journals around the Province. It was his prophecy that sheep would once again roam through the towns of Central Otago, the people driven away as a result of their political disorganisation and exclusion from government.³ On this score his disciples were determined to prove him wrong.

Gray's importance in Otago politics was considerable. Bastings, Bradshaw, Shepherd and Barton were his close friends, de Latour sought his counsel and Stout, Armstrong and Macassey admired him fondly.⁴ In a province that looked so much to Victoria for its political lead, many saw Wilson Gray as a true father of liberalism and democracy, a symbol of incorruptible private and public morality. His memory was cherished years after his death.⁵ Robert Stout declared that for future generations the test of a political measure would be "what would Wilson Gray have said had he been here."⁶

It was a mark of prestige to be associated with Wilson Gray. Barton, who had known him while a member of Young Ireland, took care to remind voters of this when reciting his own impeccable qualifications as a liberal politician:

I, whose first political act in life was to become a Young Irisher in 1848, who next appeared on the political stage as a land-leaguer in Victoria, and as agitator for the Eight Hours' movement, an advocate of Trades' Unions and as the Radical member for North

² For example, Lake Wakatip Mail, 12 September 1867.
³ Dunstan Times, 3 March 1882.
⁴ Otago Guardian, 7 August 1875 (Stout). ODT, 3 June 1872 (Bastings); 2 June 1875 (Armstrong), 5 April 1875 (Macassey).
⁵ Thousands turned out for Gray's funeral, and the Provincial Government commissioned John Irvine to paint a portrait of Gray. The portrait was to be the same dimensions as those of Cargill, Burrs and McGlashan, which already hung in the Provincial Council. ODT, 8 May, 16 August 1875.
⁶ Otago Guardian, 7 August 1875 (supplement).
Melbourne - who was politically associated with Charles Don, the stonemason; and who have for 18 years enjoyed the close and uninterrupted friendship of Wilson Gray, a lawyer and democrat like myself.1

John Philip Armstrong, once MPC for Mount Ida, was another member of Young Ireland who made his way to Otago. Although a younger man, he was probably already acquainted with Barton and Gray, for he claimed to know "nearly all that party".2 Horace Bastings met and befriended Wilson Gray during the glorious days of the Land Convention. Whilst never in the Victorian parliament himself, he did "excellent yeoman service to the brilliant and popular leaders" and was well known for his part in the liberal agitations of the day.3

Hazlett and Hallenstein were two goldfields politicians who were readily accepted into Dunedin society - assisted, no doubt, by their success in business. Despite his wealth, Hallenstein remained committed to opening the runs for settlement, abhorred the exploitation of factory workers and supported the formation of trade unions.4 James Bradshaw also won respect for his part in exposing the sweating system and his advocacy of labour reforms. Typically, however, the political leaders of the goldfields stood outside respectable society in Otago. Some were simply obscure, like Christopher Hickey, an itinerant miner and protégé of Horace Bastings who helped to organise the agitation against Chinese immigration.5 Oddities like William Jackson Barry and the taciturn Donald McPherson hardly created the impression that politics was taken seriously on the goldfields.6 Henry Manders and Charles Haughton had their careers marred by scandals in their private lives. Manders was publicly hounded by a housekeeper whom he had jilted, while Haughton was accused of pederasty.7 Thomas Luther Shepherd, the famous "Smiler", closely approached the popular stereotype of the goldfields politician as a needy place-hunter - a blend of demagogue and confidence trickster.

---

1 ODT. 18 April 1874.
2 Otago Witness. 9 December 1903, p. 58.
3 Tuapeka Times. 1 March 1876. Gray publicly acknowledged their long-standing friendship. ODT. 3 June 1872.
5 Dunstan Times. 22 September 1871.
6 See Appendix 38, Volume Two.
7 See Appendix 38, Volume Two.
Financial security was rarely enjoyed by this group. Gray, of course, made poverty his creed and was emulated in this respect by George Ireland. A devout Christian, Ireland lived in a mud hut thatched with tussock and owned but a few acres of ground:  

Mr Ireland was a Radical of the most pronounced type, of such a pronounced type, indeed, as is seldom met with in real life. He was a philosophical Radical of the class of the "conventionel" in "Les Miserables", a man who religiously believed in liberty, equality, and fraternity, and, doing without property himself, deemed all who had any subjects for contempt, qualified by pity, and gentle but uncompromising correction.  

Bastings, James Clark Brown, Manders, Pyke, Armstrong and Jackson Barry became bankrupt between 1865 and 1870. Barton temporarily fled the colony in 1867 in order to escape his debts. Armstrong failed again in the 1880s, along with Simeon Isaac, Duncan McKellar and Mathew Hay. The wills of Hughes, Shepherd, Mouat, Pyke and Haughton disclose negligible property. Poor John Mouat mortgaged his personal effects to Dunedin moneylenders for paltry advances and his name appears among the bad debts of the National Bank. Pyke was probably never far from penury. The same is likely true of Bradshaw, who died penniless in 1886. Stout raised an appeal among Members of Parliament so that his family might not be left destitute. George Brodie left his wife in a similar plight. Donald McPherson lost most of his capital and returned to Britain. It was said that Haughton, to keep body and soul together during his early career at

1 See Appendix 38, Volume Two. 
2 Morning Herald, 27 September 1880 (quoting the Press). 
3 Otago Witness, 5 August 1865 (Bastings); Lake Wakatip Mail, 22 August 1866 (Brown); ODT, 1 October 1867 (Manders); ODT, 14 July 1866 (Pyke); ODT, 30 June 1870 (Barry); ODT, 5, 7 July 1865 (Armstrong). 
4 ODT, 20 May 1874. 
5 Deed of Assignment (1883 Act) 281, Dunedin High Court (Armstrong); ODT, 17 January 1880 and Mercantile Gazette, 12 May 1883 (Isaac); ODT, 3 June 1887 (McKellar); Deed of Assignment (1880) 630, Dunedin High Court (Hay). 
6 Mercantile Gazette, 22 April 1876. Bad and Doubtful Debts Ledger, Dunedin Branch, National Bank, National Bank Archives. 
7 In 1876 he borrowed £150 from moneylenders. Mercantile Gazette, 1 July 1876. In 1880 he assigned all his household furniture to his wife. Mercantile Gazette, 21 May 1880. 
8 Evening Post, 8 September 1886. 
9 ODT, 20 November 1872. 
Queenstown, was reduced to selling rat poison made from rancid butter and ground glass.¹

Among the goldfields representatives, Hallenstein, J.W. Robertson, Hazlett and Alexander Innes were probably the only exceptions to this pattern. Even their runholding contemporaries encountered problems. In 1869 the New Zealand Loan & Mercantile Company found that William Baldwin was in "embarrassed circumstances".² David Forsyth Main was sometimes sought by the bailiff and died with heavy debts in 1880.³ A combination of circumstances all but ruined William Fraser in the 1880s.

The general poverty of the Victorian politicians is of more than passing interest. It helps to explain the hunger for ministerial office or government sinecures that a number of them displayed and also their willingness to join moneymaking schemes of doubtful propriety.⁴ After their already long and adventurous careers abroad, material comfort was becoming, for some, a pressing desideratum. The selfless, disinterested conduct of men like Gray, Ireland and Bradshaw was unusual. The prominent leaders during the provincial era, especially Pyke, Shepherd, Haughton, Brown, Bastings and Manders, tended rather to be individualistic, self-serving and intensely jealous of each other.⁵ Sophisticated and ambitious men, they were part of a cosmopolitan world that had little in common with the sequestered vale of rural Otago, and accordingly, their contribution to the radical flavour of provincial politics was of a very different nature.

By the end of the 1860s it was possible to discern a rise in the political consciousness and assertiveness of the goldfields population. In the course of that decade certain issues dominated political debate in that part of the Province. The opening of runs became a pressing concern: "[T]his cry, this craving for land settlement rises at every meeting at which miners assemble."⁶ In some districts, however, the land question became complicated by competition for land and water between miners and cockatoos. Through their need for an indefeasible title, the latter tended to lock land up from future mining activities. This conflict, which is

---

¹ Southern Mercury, 24 March 1877, p. 273.
² NZLMACo Minutes, 17 August 1869.
⁴ In the case of Bastings, the New Zealand Agricultural Company; Brown promoted the dubious Blue Spur Company in England.
⁵ Shepherd, for instance, refused to travel in the same coach as Pyke. Bruce Herald, 10 December 1875.
⁶ Lake Wakatip Mail, 12 September 1867.
emphasised by Dr Hearn, was most apparent in the Mt Ida and Lakes districts, where the political objectives of Reid and his agriculturalist supporters were never regarded with much favour.1 Although this complexity was significant at a local level, it did not override the more general antagonism between mining communities and runholders during the provincial period. The iniquities of squatterdom were always an effective rallying cry at election time; those of the cockatoos were much less so.

Increased representation for miners and a democratisation of the franchise were the early and persistent demands of the miners. Taxation was always a keenly felt grievance. Tariffs and turnpike charges helped keep up the high cost of merchandise on the diggings. The gold duty hit directly at the pockets of miners, yet wool remained exempt from penalty. Only a small fraction of the revenue generated by the goldfields was returned in the form of government spending in those regions. "The Old Identity vampires are always on the qui vive to suck the blood of whoever may be enticed into their treacherous embrace", complained the Lake Wakatip Mail.2 A letter penned in the Upper Manuherika complained, "we, poor diggers, suffer for everything. We are always on the losing side. It appears that all we are wanted for is to pay taxes."3

Chinese immigration was looked upon as another harassment imposed from outside. It was an act of greed on the part of the Dunedin Chamber of Commerce, which would drive the civilising European miner from the Province. The Old Identity's fear of Sabbath desecration by the Victorians seemed to be conveniently forgotten in their eagerness to admit the heathen Chinese.4

The issue of provincialism produced a mixed response. Australians were among the most fervent supporters of the separation movement. It was, after all, a reform that had a precedent in the shape of Victoria itself, and it promised some relief from taxation. On the diggings, however, there were strong pockets of anti-

---

1 T.J. Hearn, "Land Water and Gold in Central Otago 1861-1921: Some Aspects of Resource Use Policy and Conflict", Ph.D thesis, University of Otago, 1981, pp. 169-170, 238,674; T.W.H. Brooking and T.J. Hearn, "Runholders, Goldminers, Estate Owners and Small Farmers 1848-1914", unpublished paper. This conflict was also evident at Hyde and Teviot. See ODT, 27 January 1871, Dunstan Times, 30 June 1870. The Mount Ida Chronicle, which occasionally gave voice to the miners' concerns about the encroachment of agriculture, was equivocal on this question. For example, the issue of 3 January 1873 stated: "We positively assert that, as between miner and agricultural lessees, there is no conflict whatever." C.A. de Latour, editor of the Chronicle explained the paper's policy towards mining and agriculture in his memoirs. See Appendix 38, Volume Two; also Mr De Lautour on Pastoral Tenure and Land Administration on the Goldfields under the Acts", Alexander Turnbull Library.

2 Lake Wakatip Mail, 4 January 1863.

3 Dunstan Times, 21 June 1867.

4 Dunstan Times, 10 February 1866.
provincialism. The idea that the gold-producing districts would be better administered by central government had considerable popularity; much more, perhaps, than the result of the 1867 plebiscite suggested. General government control would at least mean "good-bye to the wretched tribe of Dunedin parasites who speculate on the very flesh and blood of the unfortunate digger." It would see an end to the tyranny of "our provincial MacGrabs" - the "pedlars, woolsellers and clodhoppers" who made up the Provincial Council. There could be little faith in provincial institutions while they remained dominated by old settlers. As the Otago Witness conceded in 1865:

The measure may have reason and experience to recommend it; it may be calculated to confer the greatest benefit on the Province... but Mr So-and-So proposed it, he comes from Victoria or haply direct from England, or from the diggings, and therefore in the minds of these prejudiced men, his projects must be opposed.

The necessity of electing miners to represent the goldfields or those loyal to the mining interest became a common cry. When W.H. Cutten ran against J.C. Brown in 1870, Brown headed his election notices: "No Interlopers From Dunedin." The Arrow Miners' Association refused to support any candidate who was not a practical miner. In 1867 a correspondent in the Dunstan Times denounced the fact that a few parties at Clyde could decide an election and choose gentlemen of their acquaintance for a seat in the House, ignoring the miners altogether:

I should think miners have as good a right to be consulted as these would be aristocrats, or whatever they please to style themselves; and as these gentry seem to look upon the working class with contempt, I hope that in future miners will endeavour to pay them back in their own coin, by placing men of their own choice at the head of the poll.

---

1 See, for instance, Dunstan Times, 3 May, 12 July 1867; Otago Witness, 1 September 1866.
2 Lake Wakatip Mail, 21 October 1863.
3 Lake Wakatip Mail, 26 September 1863; 10 October 1863.
4 Otago Witness, 30 December 1865.
5 Tuapeka Times, 9 February 1870.
6 Arrow Observer, 26 January 1872.
7 Dunstan Times, 22 March 1867.
The *Mount Ida Chronicle*, a less radical paper, declared it essential that goldfields representatives should be goldfields men:

... having a direct and personal interest in the Goldfields or businesses connected therewith. The squattocracy are a class whose interests are diametrically opposed to the progress and development of the Goldfields and the settlement of the country... The election of a squatter to represent a Goldfields district is a delusion and a sham - is more injurious than absolute disfranchisement - being in effect positive misrepresentation of the Goldfields interests ...

Simeon Isaacs gave his Dunstan constituents the same advice, telling them to overthrow "the present overbearing influence possessed by the squatters" and return their own men. The *Dunstan Times* put the case in typically inflammatory language:

The miner has... conferred no end of... benefits upon mankind, and, what is more, by his own unaided exertions he produced out of the bowels of mother earth all the gold to do it with; in fact, he was compelled to fight his way, as everything was opposed to him, but he did so and conquered. He had to overcome the bigoted narrow-mindedness and ignorant selfishness of a class who, had they been left to themselves, would have degenerated until they morally would have been little better than the aborigines whom he came to supplant, and, having accomplished so much, his political existence must not be ignored... For the future we must endeavour to elect our representatives from among ourselves...

This desire to exclude squatters and Dunedin men from goldfields politics flowed from the conviction that Otago was drifting into a period of sectional strife. In Victoria, the miners had pitted their strength against their symbolic enemies: the squatters, the banks and the urban merchants. The same conflict was seen to be a natural and inevitable phase on the Otago goldfields. A letter to the *Tuapeka Times* advocating a liberal league for the 1871 elections expressed what was probably a very common attitude:

---

2 *Dunstan Times*, 15 March 1867.
3 *Dunstan Times*, 18 February 1870.
... we have now the old battle to fight over again that was fought for years in Victoria - Capital v Labour. We all know the struggles we had year after year, but conquered in the end; and what the result is must be well known to every old Victorian miner. Their representatives have now some power in the Assembly, and also hold office in every ministry formed. It is now our duty to follow in their steps and see that our representatives are placed in the same position.¹

The idea that the Provincial Executives of the late 1860s governed in the interests of the banks and squatters, although by no means confined to the goldfields, had many willing believers in those places.² Politicians naturally found it expedient to stir up "the stock Victorian cry - 'nominee of the banks and squatters'".³ T.L. Shepherd was one who always stressed the notion that "there was a clique which would rather see sheep occupying the country than men and women and smiling cornfields."⁴ In Victoria, he reminded electors, "the squatters had managed to get their own men returned for years and years, and the same had been done here".⁵

Allegations of squatter conspiracies were given credibility by the revelations of corruption that scandalised Victoria in 1869. Any signs of manipulation of public affairs by big capital were therefore carefully monitored on the Otago goldfields. More often than not, the solutions to such threats were peculiarly Victorian. The Tuapeka Times, for example, responding to what it saw as a "crisis" at the end of the decade, called upon Wilson Gray to re-enter politics "and undertake to inaugurate an era of confidence and purity instead of one of distrust and corruption."⁶ The proposal received popular support.⁷ A letter signed "Victorian" of Switzers advocated a monster memorial to encourage Gray. "We are all sick of Old Identity government and are anxious to aid in bringing about a change."⁸

¹ Tuapeka Times, 22 December 1870.
² See, for example, Dunstan Times, 8 May 1868 (Dunedin telegram).
³ Arrow Observer, 12 January 1876.
⁴ Dunstan Times, 20 March 1868.
⁵ Dunstan Times, 2 November 1868.
⁶ Quoted in Oamaru Times, 17 September 1869.
⁷ ODT, 30 December 1870.
⁸ Tuapeka Times, 9 October 1869.
Victorian traditions informed much of the debate over land in Otago. They also invested it with a great deal of bitterness. "The position of the squatters on the goldfields is fast becoming intolerable", warned the Dunstan Times. "The enemy is now at our door and there is no doubt about his identity." The military metaphor was continued: "The battle of the lands will require to be as hotly contested here as in Victoria... we know our enemy and must be prepared to meet him." No sterile legacy, these lingering ties with Australia had a profound impact on provincial affairs. Ex-Victorians saw themselves as acting out the same processes that had shaped society in their former home. They expected events in Otago to follow a pattern with which they were already familiar. The same struggles would have to be fought; similar schemes to thwart their legitimate aspirations would be attempted. Politics would be interpreted through Victorian symbols and precedents.

The language of Old Identity exclusivism lived on in the special environment of the goldfields. It was used to express the growing conflict between country people and pastoral and business interests, a conflict in which the idea of an elite assumed central importance. Olssen's statement that the demands of the Victorian democrats were "unobtrusively" accommodated is not borne out by the newspapers of the period, which are, in the end, the most important source for the study of goldfields politics. That there was no equivalent of the Eureka Stockade in Otago is hardly surprising. But other symbols imported from Victoria did help to create a political tradition in Central Otago that resisted absorption into the existing "fabric of New Zealand life".

It would also be unwise to accept that the radicalism of the Victorians simply merged with an existing challenge to the power of the squatters. During the 1860s at least, the inhabitants of the goldfields apparently saw themselves as forming almost a separate community within the borders of the Province. Their politicians did not strive to ameliorate this division. They certainly found little in common with the agriculturalists, the greatest dullards among the Old Identities. There were, in effect, two strands of radicalism in the politics of provincial Otago. They emerged from very dissimilar societies, were sustained by different local

---

1 Dunstan Times, 27 August 1869
2 Dunstan Times, 3 September 1869.
3 E. Olssen, "Lands of Sheep and Gold", p. 43.
considerations and combined only briefly for the purposes of united political action.

Eldred-Grigg's dismissal of the miners' political contribution is perhaps even wider of the mark. They were far from a docile rural proletariat by the end of the 1860s. At the very time when Eldred-Grigg supposes it was developing into a "peasantry" under a hegemony of large landowners, the goldfields population prepared to imitate the struggle in Victoria to "unlock the lands".¹ "I cannot see", wrote a correspondent to the Dunstan Times:

... by what right the agent of any firm in the old or any other world, where capital is of less value than here, should be allowed to occupy our country, make our laws, and administer them. I did not come here to be a servant. I thought when I left my friends and home for the new world, I should find something new.²

The settled population on the goldfields was, as Salmon perceived, probably a more serious menace to the squatters than the transient hordes that passed through the Province during the rushes.³ If anything, hostility towards the "gentry" increased in the second part of the decade. "One thing is clear... ", writes Eldred-Grigg, "the goldminers were no threat to capitalism or to the great estates."⁴ The "great estates" of Central Otago, an important field for capital investment in the 1860s and 70s, were, however, held under a fairly precarious leasehold tenure. The political demands of the miners were not to be lightly ignored, especially during the critical period of 1869-71, when the pastoral industry faced serious economic problems:

By 1871, the Provincial Council was made up of fourteen city or suburban seats (including Oamaru Town and Invercargill), ten goldfields seats and twenty-two seats for rural districts outside the goldfields.⁵ If the runholder and mercantile faction were to "dominate" this Council, it would have been necessary for them to control not only the urban seats, but a substantial number of seats in the latter two categories as well.

¹ S. Eldred-Grigg, A Southern Gentry, p. 41.
² Dunstan Times, 11 December 1868.
⁴ S. Eldred-Grigg, A Southern Gentry, p. 41.
⁵ The distinction between suburban and rural seats is, in some instances, difficult to draw.
Part Three, Chapter One

From the mid-1860s, there was an upwelling of discontent at the administration of the land laws in both the goldfields and the agricultural districts. This issue became the main political outlet for the "radical" tendencies of these regions. It was one of the few matters on which there could be some degree of unity among the agriculturalist and mining representatives. This unity flowed partly from the identification of a common adversary: the runholding interest and its supporters in the urban business community.

Contemporaneous with this change, there were some noticeable shifts in the political rhetoric that emanated from rural Otago. The Bruce Herald shifted its attacks from the "clique" of Dunedin families, led by the Cargills, who had been conspicuous in their opposition to Macandrew. Its new target became "High Street", a more generic label inspired by the pastoralists and high-ranking businessmen who patronised the Dunedin Club. To the press and politicians of the goldfields, "Old Identities" of any description, including small agricultural settlers, had originally been tarred with the same brush. By 1868, the focus had become more defined. Banks, squatters and merchants were identified as the political opponents of the goldfields population. The intellectual roots of political radicalism in the agricultural districts are elusive. The likelihood of their having a strong, religious aspect is considered in Part Six.

The goldfields style of radicalism borrowed heavily from Australian models. Forms of organisation, a political symbolism and, to a certain extent, political leaders and networks were imported across the Tasman. Most importantly, there was a clear expectation that politics in Otago would pass through phases similar to those seen in Victoria. The impact of the Australian migrants on Otago politics was delayed by their under-representation in the electoral system. By the early 1870s, there was a greater opportunity for the expression of Victorian influences despite the decline in the goldfields population after 1864.

In short, runholders and members of the business community who identified with them did not occupy a position of electoral dominance. They were obliged to seek political concessions at a time when their opponents were more hostile and better organised than had been the case earlier in the 1860s.
In tracing the evolution of the "Liberal Party" and its relationship with the mercantile-pastoral faction in the Provincial Council, it is possible to distinguish three general phases. The first two occurred during the depths of the crisis in the wool industry. Runholders sought to block the declaration of new hundreds and, after the Reid faction had taken power, they then sought to impose new restrictions on the size of hundreds and limit the areas in which hundreds could be declared. The second phase involved opposition to the Land Bill proposed by the "Liberals", which introduced the principle of deferred payments and reduced the opportunities for squatters to purchase land taken from their runs.

The third phase coincided with a marked improvement in the local economy. With the help of Macandrew, the High Street faction was able to regain a presence in the Provincial Government and to retain it until abolition by exploiting divisions within the "Liberal Party". The availability of capital for buying land rendered the hundreds system less damaging. The deferred payments system remained a threat to representatives of the pastoral interest, but they felt able to agree to its recommended extension by the Council, confident in the knowledge that this proposal could be blocked in the Assembly.

Phase One: The Birth of the Provincial "Liberal Party"

In 1866 and 1867, Julius Vogel had been the main figure in an Executive that possessed no obvious sectional bias. During this time there was also no clear pattern in the voting behaviour of the Council Members.1 The position was to change abruptly in 1868. By the end of that year's session, the Government had been widely condemned as "proteges of the banks and runholders."2 Vogel's tampering with the Land Act and the unconscionable delay in opening more land for settlement provided the focus for a distinct opposition grouping. The leaders of the faction - for no one man could claim the honour - were Haughton and Shepherd, representing the goldfields, and Donald Reid, the Member for Taieri. J.W. Thomson from the Clutha was also to the fore, though he cut a less-than-inspiring figure.

1 T.W.H. Brooking, T.J. Hearn, G.W. Kearsley, "Land Settlement and Voting Patterns", p. 27.
2 Dunstan Times, 12 June 1868.
These men formed an awkward alliance. As a party man, Haughton was untrustworthy, being "as true as a needle to the pole when there are no pieces of steel lying about." Shepherd was also a law unto himself and regarded the Taieri farmers more as friends of convenience than natural allies. With his usual egotism, he thought himself the key organiser of the other goldfields Members, Hay, Brown and Mouat. Reid commanded a solid core of supporters from the country districts, but at the crucial divisions his party was forced to rely upon some unlikely supporters.

Vogel's followers included his five ministerial colleagues and six runholders or squatting agents. George Shand chose not to vote with his Taieri colleagues. His allegiance to Vogel was secured by the construction of a bridge at the foot of his Silverstream property and the promise of a public road to suit his personal convenience. Reynolds, while Speaker, was virtually a member of the ministerial party. He acted as a whip for Vogel and, according to Shepherd, had been vastly overpaid when his bond store was bought by the Government.

Skirmishing on the land question began almost as soon as the session began. The factions were evenly matched, so much so that one or two votes could decide the fate of the Executive. It became difficult to calculate which side would prevail in what the Dunstan Times called "a regular fight between the squatters and the people". As the session progressed, two Members who supported Reid fell victim to insolvency. James McIndoe and John Sibbald, both disciples of Macandrew,
abandoned the opposition and went over to Vogel.\textsuperscript{1} D.F. Main was forced to make a "superhuman" ride of ninety-three miles to save the Government on a confidence vote.\textsuperscript{2}

The Executive was soundly beaten over the sale of the Wakatip commonage, but "the squatters and bankers [would] not allow Vogel to go out", and so the Ministry ignored convention and carried on.\textsuperscript{3} Angered by the constant obstruction of his policy, Vogel exclaimed that "the house had been listening to nothing short of socialist doctrine - an utter disregard for the interests of property."\textsuperscript{4} Shepherd believed he knew exactly what was going on. "What had to be fought here was the same battle as had been successfully fought against the squatters in Victoria. The Provincial Secretary was fighting now for the pastoral tenants and the banks."\textsuperscript{5}

The Government held out until 22 May when there occurred another of the melodramatic episodes that had punctuated the session. John Millar had been bed-ridden for most the time with a broken leg. On the day of the decisive no-confidence motion he was carried into the chamber to vote the Government out of office. In the course of this gallant act he fractured his leg a second time, but Reid was now able to form an Executive with Thomson, Hutcheson and Clark.\textsuperscript{6} It lasted only two days before absences and desertions allowed Vogel to resume office and hastily end the Council's deliberations. There was time enough for Reid to announce his intention of making the preservation of land for settlement a higher priority than a large public works budget. "Merchants", thought A.J. Burns, "were, and might well be, terrified at the prospect of having in office four such men as now formed the government."\textsuperscript{7}

Throughout the Province there was a sense that the session had witnessed some important developments. The "Liberal Party", as it was already dubbed by certain country journals, had made the land question the main division in politics.\textsuperscript{8} It was beginning to show signs of party discipline. Caucuses had been held and David Hutcheson was even chastised by Shepherd for introducing a motion

\textsuperscript{1} Echo. 24 December 1870.
\textsuperscript{2} Lake Wakatip Mail. 21 May 1868.
\textsuperscript{3} Lake Wakatip Mail. 16 April 1868. This was an area of land that had been taken out of lease to provide grazing for the miners and townsfolk of the Wakatip district. Vogel had proposed to sell or lease the commonage to boost the Government's revenue. See AIHR, 1869, C-1, No. 68, p. 62.
\textsuperscript{4} ODT. 17 April 1868.
\textsuperscript{5} ODT. 17 April 1868.
\textsuperscript{6} ODT. 22, 30 May 1868.
\textsuperscript{7} Dunstan Times. 5 June 1868.
\textsuperscript{8} Lake Wakatip Mail. 22 April 1868. Dunstan Times. 17 April, 4 June 1868.
without the prior consent of the opposition, "for that there was an opposition could not be denied."¹

For the moment, land settlement provided a common cause, which enabled the rural and goldfields Members to shelve their mutual suspicions. Reid's omission of a goldfields Member dismayed the up-country press and was surprising, given the important contribution of Haughton and Shepherd.² Vogel hinted that Reid could not have included these men for fear of offending his agriculturalist colleagues.³ Thomas Luther Shepherd, for one, did not appear upset at being left out of the short-lived "Liberal" Ministry. After the prorogation he went on a stumping tour of the goldfields, during which he confined his attacks to Vogel's wealthy supporters and made the inevitable Victorian comparisons:

I with other members of Council, endeavoured to form a party to carry out the policy sketched out by us... Through the alliance of the farming members we carried these measures, every one of which was opposed by the Vogel Ministry and their squatting supporters... It took eight years in Victoria to conquer that hydra-headed monster, the squatter, and to compel him to disgorge the land for the people; and I told them in the Council that the time would arrive when the people would insist upon the land being thrown open for settlement, in spite of the advocacy of the Vogel executive.⁴

Appeals rose from the Reid faction and the country press for a dissolution of the Council and fresh elections.⁵ The equal strength of the parties would make it difficult for either side to hold power other than by an exceptional feat of organisation. Moreover, it seemed anomalous that men like George Shand, Main, William Fraser and Tayler of Port Chalmers could represent "popular" constituencies and yet oppose the liberal land measures desired, as the Lake Wakatip Mail believed, by the majority of their electors.⁶ But for Vogel and Macandrew, a dissolution meant almost certain defeat and the clamour for a new Council was ignored.

¹ ODT. 24 April 1868. Dunstan Times, 1 May 1868.
² Dunstan Times, 12 June 1868.
³ ODT. 29 May 1868. Haughton was obliged to refute suggestions that the late Government "was in his hands as puppets." Dunstan Times, 5 June 1868.
⁴ Tuapeka Times, 11 July 1868.
⁵ Bruce Herald, 7 April 1869.
⁶ Lake Wakatip Mail, 23 April 1868.
The Provincial Council was next summoned nearly a year later. By comparison with the turmoil of 1868, the twenty-fifth session was a peaceful affair. Vogel's resolutions to amend the compensation paid to runholders for cancelled leases briefly created a stir. To J.L. Gillies they were "for bare-faced atrocity... unequalled in any legislation" and on his motion they were passed in a much-restricted form. The *Tuapeka Press* was nonetheless angered by Vogel's "monstrous attempt" to release runholders from the very risk they had undertaken when the leases were entered into. "The attempt has been fortunately nipped in the bud, but it shows how far the squattocracy and their political friends are prepared to go."  

The early collapse of Vogel's Executive contributed greatly to the harmony of the session. Not for the last time in his career, Vogel was charged with abusing his public office. The accuser was Hugh M'Dermid, a member of his own Government. It was wrong, thought M'Dermid, that the whole power of the Government was in the hands of Vogel and A.J. Burns, the only Members to say distinctly that they were hostile to the hundreds system. Furthermore:

There were matters in connection with the head of the Government, which he considered objectionable. That gentleman, he considered, was not in that independent position the leader of a government should occupy - (Oh) - and as a consequence he was subject to influences which no head of government ought to be subject to - (Oh, and shame.)

M'Dermid's justification for this remark rested on the award of a £1,500 bonus to the firm of Driver & MacLean for constructing a woollen mill. The circumstances suggested that undue favour had been shown the successful tenderers. Allegations about Vogel's conduct as head of the Government and his relations with Driver were being voiced outside the chamber as well. During his heated struggle for the Roslyn seat in Parliament, Driver was taxed by Edward de Carle with being "in himself the Provincial Government" through his influence.

---

1 *Illustrated New Zealand Herald*, 10 May 1869.
2 *Illustrated New Zealand Herald*, 10 May 1869. (Quoting the *Tuapeka Press*.)
3 *ODT*, 23 April 1869.
4 This subsidy had been voted by the Council in 1868. A Tokomairiro syndicate submitted a proposal and seemed likely to succeed when "all at once" Driver made his application and within an hour the decision was made to give him the money. "Such things made him (M'Dermid) feel that he was not in the company he imagined he was in." *ODT*, 23 April 1869.
over Vogel, and with having paid Vogel's debts for him. Driver responded with bluster, pointing out that he might pay the debts of any man he wished as long as he paid his own (a duty of which he was soon incapable) and the electorate would be well served if he did indeed possess such influence over the Government.

The *Otago Daily Times* had been critical of the handling of the woollen mill subsidy even before M'Dermid's revelations and did not consider Vogel's explanation at all satisfactory. It took an equally jaundiced view of the arrangements in progress for the construction of the Southern Trunk Railway. This line would be the biggest undertaking the Province had yet attempted and it was doubtful that it could be constructed for less than £400,000. When Vogel left suddenly for Auckland in April it was a poorly-kept secret that his mission was to obtain finance for the railway from the BNZ. His haste was thought to be from anxiety to push the scheme along before the anticipated collapse of his Government.

Details of the plan were known only by rumour but proved to conform closely to the predictions of the *Daily Times*. According to the *ODT*, Vogel was virtually the chief promoter of a company that was made up of half a dozen friends of the Executive. These men were later discovered to be Driver, Reynolds, Turnbull, R.B. Martin, John Davie, William Hepburn and J.L. Butterworth. A project of such magnitude was far beyond the resources of the seven Dunedin merchants, and the *ODT* supposed that the Bank would be, in effect, the contractor. The Bank's charter, of course, prohibited the construction of railways from its legitimate business, so it was necessary that Driver's company should be, at least in name, the contracting party. Larnach later became involved and offered £100,000 from "Long" Clarke of Melbourne at 8%. Macandrew was enthusiastic about the scheme, preferring to give the contract to local men rather than open it to outside tenderers.

Driver and his partners sought a government guarantee of 8% on their capital and a condition that the Government should pay all costs incurred by them if they

---

1 *ODT*, 19 January 1869.
2 *ODT*, 19 January 1869.
3 *ODT*, 24 April, 6 May 1869.
4 *Bruce Herald*, 28 April 1869.
5 *ODT*, 10 April 1869.
6 *Echo*, 11 December 1869.
7 *ODT*, 10 April 1869.
8 *ODT*, 18 January 1871. *Evening Star*, 31 May 1870
9 *VPOPC*, Session 26, Appendices, pp. 1-27.
could not complete the line. The whole plan is likely to have been initiated by Driver. Having acquired a taste for engineering works through his Oreti Railway contract, it seems he would have been prepared to ride the generosity of the Bank of New South Wales for this more ambitious venture.

The *Daily Times* objected strongly to Vogel's pledging the revenue of the Province in this fashion, especially when he seemed to have a close association with the company.\(^1\) Criticism from such a reputable and apparently well-informed journal increased the weakness of Vogel's position at the start of the session. He made no attempt to submit a remodelled Executive to the Council and the reigns of power were meekly surrendered to Donald Reid. Reid formed what was described as a coalition Ministry, retaining George Duncan and including George McLean. The *Bruce Herald* credited Vogel with being "the chief source of the strength of the late opposition and the main cause of the pertinacity with which they held together."\(^2\) With his departure, "all animosity and heart-burning seem to have vanished; the political winds and waves were becalmed."\(^3\) There was no clear opposition to the new Government and by the end of the Council's deliberations, six new hundreds had been recommended.\(^4\) Six runholders affected by the proposed hundreds petitioned the House of Representatives for relief. Three of them, W.H.S. Roberts, John MacLean and H.C. Robison, were either bankrupted or forced from their runs within two years.\(^5\)

The rumours about Driver's manipulation of politics did not disappear with Vogel's departure for Auckland. June saw the publication of the sensational Treweek letter, a private communication in which Driver incautiously boasted of his influence over Macandrew.\(^6\) This scandal was still fresh in the public's mind when news arrived from the Assembly of the infamous Hundreds Regulation Act.

---

1. *ODT*, 10 April 1869.
4. These were: Waihemo, Strath Taieri, Beaumont, Crookston, Wairuna and Kaihiku. A map of the proposed new hundreds is located at VPOPC Session 25, 1869, p. 82. See also VPOPC Session 26, 1869, p. 40, for Gillies' report on land required for settlement of the goldfields.
5. *AIHR*, 1869, G-1, 3, 4, 5, 7, 8. The Reid Government passed a resolution to have 60,000 acres taken out of the goldfields and declared hundreds. This would have reduced the amount of compensation to be paid to runholders. In confirmation of Dr Hearn's thesis, however, a number of miners petitioned against this, fearing that the land would be bought up by speculators and runholders. They requested instead that the land be made commonage, as few miners were in a position to buy the land they wished to use for grazing. *AIHR*, 1869, G-6, p. 7; *AIHR*, 1871, C-3, p. 12.
6. John Treweek was the nominal owner of Bellamy station and had become estranged from Driver MacLean & Co, to whom the run was mortgaged. He allowed a letter to be published in which Driver appeared to claim that he could use his influence over Macandrew to protect the lease from cancellation. One of the first issues of the *Echo* used the letter as the basis for an attack on Driver, in which his conduct was likened
It betokens a degree of panic and frustration with the tenor of provincial politics that the runholding interest sought protection directly from Parliament, where, of course, it enjoyed much greater power. Formerly, land legislation had been initiated and its content determined by the Provincial Council, but this Act contained features so obviously favourable to runholders that there was no hope of sanction by the local legislature.\(^1\) Hundreds were limited to 15,000 acres, of which half had to be available for agriculture. The classification of land as being suitable or unsuitable for agriculture would be performed by three nominees, two of whom were members of the Dunedin Club and former runholders.\(^2\) John Hall of Canterbury and Dillon Bell were the authors of this, "one of the most iniquitous measures ever introduced into the New Zealand legislature."\(^3\) The general principles of the Bill were approved by a caucus of Otago Members at which Bradshaw and Howarth were the sole dissentients.\(^4\) The Act provoked outrage in the country districts of Otago. Macandrew agreed to a special session of the Council, partly in response to this opposition but also because he sensed the possibility of Reid's defeat, which would allow Driver to proceed with his railway project.\(^5\)

The Council was summoned at a difficult time for the "Liberal Party". Two of its leading firebrands, Shepherd and Haughton, were speculating at the Thames goldfields and could not return in time to attend.\(^6\) For four days and nights the Council discussed Reid's motion denouncing the new Act. The debate was filled with abuse of squatterdom and the sophistical justifications of the Act's supporters. J.C. Brown took up the goldfields chorus in Shepherd's absence: "They had been fighting the same battle there [Victoria] that the people were fighting here."\(^7\) John Gillies spoke to the question in what seemed to James MacIndoe a homicidal passion: "My honourable friend the member for

---


\(^2\) *Echo*, 12 November 1870. The three men were William Carr Young, Frederick Wayne and Thomas Cass of Canterbury.

\(^3\) *Dunstan Times*, 27 August 1869.

\(^4\) Macandrew, Reynolds, Driver, Cargill, Vogel, Bell and Main agreed to support the measure. The Bill was hurried through the House in the small hours of the morning, by which time even Main was having doubts about it. He maintained that he was hauled down by the coat-tails when he rose to oppose it. *Otago Hansard*, p. 82.

\(^5\) *Echo*, 11 December 1869.


\(^7\) *Otago Hansard*, p. 123.
Tokomairiro was quite wild on the subject. I think I see him not many months hence, with ensanguined apparel, with his knife in his hand, reeking with the gore of some unfortunate squatter." 

Unfortunately for Driver's faction, they had not calculated upon a late flickering of political influence from one of the founders of the Province. A few days into the debate, one of their key supporters, A.J. Burns, received instructions from "his venerable father" that he should vote with the Government. Thomas Burns, the figurehead of Presbyterianism in Otago, apparently looked with disfavour upon the activities of the High Street faction.

This incident ruined the chances of the opposition, especially as George McLean could not be persuaded to desert his place in the coalition Ministry. The price of his support, however, proved expensive for the "Liberals". He would not save them from defeat unless they agreed to seek amendment rather than outright repeal of the Hundreds Act. For Reid to retain office - and it was necessary that he should if the Act were to be blocked - there was no choice but to accept a compromise. The amendments agreed upon by the "Liberal" caucus were favourable to the runholders. Compensation was set at a higher rate and the pre-emptive right increased from eighty to 640 acres. McLean had won important concessions and the irony of Reid's granting more to runholders than the reviled Act itself was much commented upon. Driver joked that, had he taken any hand in increasing the pre-emptive right, he would have been "burned in effigy, and the Lord knows what all".

The Government was safe, at least, and its opponents recognised the futility of mounting a challenge over railway policy. The Evening Star wrote afterwards: "Disguise it as the dominant party will, the feud of squattercrat v clodocrat is at the bottom of the lapse of the Clutha railway." In fact, Reid's determination that the Province should not be party to Driver and Vogel's railway scheme is more likely to have been the main cause. Fresh elections were due to be held at the start of

---

1 Otago Hansard, p. 70. Perhaps to allow Driver a lower profile on issues in which he clearly had a private interest, Ashcroft, a former employee of E.B. Cargill, was set up as leader of the Opposition. The Echo wrote: "It was a happy inspiration on the part of High Street to 'secure this young and rising man' to fight its battles". Echo, 18 December 1869.
2 Otago Hansard, p. 105.
3 See Reid's later explanations. ODT, 13, 18 May; 2 June 1870.
4 ODT, 26 April 1870. Reid actually supported the larger pre-emptive right in 1866.
5 ODT, 25 April 1870. For the complications within the "Liberal" ranks caused by the compromise with McLean, see ODT, 28 May 1870.
6 Evening Star, 3 January 1870.
1871 and it was left to the new Council to determine how Otago should respond to Vogel's scheme for national borrowing.

**Phase Two: The 1871 Election, the Rise of the "Liberals" and the Reform of the Land Laws**

The long-awaited dissolution ushered in a brief but glorious phase in the progress of the "Liberal Party". At last there would be a chance, or so it was hoped, for the electorate to express its displeasure at Macandrew's behaviour during the previous four years. Would he be punished for his desertion of the popular cause? For a while it seemed that he might not stand again, or that if he did, it would be without the backing of the moneyed interests: the squatters and merchants who comprised the High Street "magnates" and who had sprung to his support after his election in 1867.¹

"High Street" apparently doubted the likelihood of his re-election. At the end of 1870 there were persistent rumours that Driver was attempting to enlist H.S. Fish as the candidate of the pastoral lessees.² Driver's election strategy required someone who could attract the popular vote and yet remain within the control of the High Street clique. With his facade of egalitarian liberalism and his known amenability to financial inducements, Fish appeared an obvious substitute for Macandrew.³ Perhaps with an eye to Fish's potential usefulness, Driver had already helped him win a seat in the Council.⁴ Negotiations between Driver and Fish nevertheless collapsed when the latter withdrew and abandoned thoughts of contesting the election. Continuing public speculation about his relations with Driver may have persuaded Fish that it would be foolish to continue the association, and he later threw in his lot with Reid.⁵ Driver was angered by this change of heart.⁶ He attacked Fish in the Council and accused him of deception.⁷ The split was not permanent and the alliance between the two was later revived.

---

¹ *Echo*, 22 October 1870.
² *Echo*, 29 October 1870.
³ Ritchie to Russell, 3 May 1875, p. 248, Ritchie Papers.
⁴ *Echo*, 29 October 1870.
⁵ *Echo*, 3 December 1870. Fish discovered that "it was being industriously circulated that he was the nominee of what was called in Dunedin the High Street Clique, or in other words the squatters." *ODT*, 26 October 1870.
⁶ *ODT*, 25 November 1870.
⁷ *Echo*, 26 November 1870. See also Appendix 39, Volume Two.
Macandrew remained a good prospect for the election despite Driver's flagging confidence in him. He had plummeted from grace in the country and goldfield districts that had given him so many votes in 1867. But in Dunedin, he could still count on some loyal support. Macandrew’s popular appeal had little to do with political principles, although his campaign was based upon the wholehearted advocacy of Vogel’s borrowing scheme. Otago’s prosperity depended upon rapid public works development and immigration. The path forward, Macandrew reasoned, lay with the “mastermind” Premier. Reid and his followers were highly suspicious of Vogel and his borrowing proposals. They perceived the financial scheme as a serious threat to provincialism and the precious autonomy of Otago’s land revenue. Some of Otago’s leading “Liberals” had been allies of Stafford, Vogel’s main threat in the House. This was Macandrew’s opportunity to attack the man who had thwarted his plans so effectively. He portrayed Reid’s caution on public works expenditure as a deliberate tactic to undermine his position as Superintendent. Vogel’s vision of the country’s future, which he fully shared, was too progressive to be grasped by the narrow mind of a Taieri farmer. Under the guidance of such a man the Province was bound to stagnate.

While Driver, “High Street” and the coterie of Birch, Sibbald, McIndoe, Ure and Seaton threw their energies into securing Macandrew’s re-election, “Liberal” partisans were no less busy. Late in 1870 an organisation called the Southern League was formed with the object of generating support for the “Liberal Party”. The founding charter of the League, which was published around the Province, consisted of four points:

1. Local Expenditure: every Province shall retain its own land fund, and also the expenditure of loans for public works.


3. Free Goldfields: the expenditure of special goldfields taxation upon the goldfields.

---

1 **OPT**, 18 January 1871.
4. Electoral Reform: extension of the suffrage and amendment of the present system of electoral registration.¹

According to one hostile journal, the League manifesto was "derived from a set of politicians whose inspirations are said to have been drawn from unheard of quantities of cheap beer, which was consumed on the occasion."² The Evening Star called it "the old wife's programme concocted over threepenny beer at the Shamrock" and identified J.C. Brown and Bastings as instigators of the movement.³ The other leading men of the League are obscure. They probably included some of Reid's more radical supporters and members of the Tuapeka Land League. The secretary, William Knox, may have been a small settler at Green Island.⁴ Donald Henderson and Matthew Hay were hinted at and the members of Reid's committee are likely to have been involved - Evan Prosser (recently arrived from the West Coast goldfields), Barnard Isaac (a Jewish chemist), John Wesley Jago, John Bathgate and Robert Stout.⁵

Stout certainly edited a daily journal called The Southern League, which forms the most tangible evidence of the organisation's activity.⁶ This paper ran for three months from July 1871 and its columns were regularly filled with blunt, sometimes scurrilous attacks on squatterdom and big capital. Correspondents even turned their attention to the virtues of the Communist International and the need for a party to protect the class interests of workers.⁷

Reid's campaign for the Superintendency was based upon the fundamental necessity of settling families on the land. He proclaimed himself defender of the Province's working class - the labourers, artisans and agriculturalists, whose interests, he stressed, were compatible. Rhetorical blows at the symbols of wealth and cliquism embellished his speeches. "If ever there was a country under God's sun in which the snobs reigned triumphant it was the quack-ridden city of Dunedin."⁸ The Echo applauded these sentiments:

¹ Southern League, 3 July 1871.
² Illustrated New Zealand Herald, 30 January 1871.
³ Evening Star, 12 December 1870.
⁴ Dunstan Times, 23 December 1870.
⁵ Evening Star, 2 January 1871.
⁶ W.H. Dunn and I.L.M. Richardson, Sir Robert Stout, p. 27. The editorial of 5 July 1871 is initialled "RS".
⁷ See Southern League, 26, 30 October; 2, 3 November 1871, in Appendix 39, Volume Two.
⁸ ODT, 21 December 1870.
Mr Reid's remarks on the Dunedin snobocracy were well-timed. Some of our upper ten are beginning to look down on a colonist because he earns his bread by following the plough, and does not use the pen or flourish an auctioneer's hammer.¹

Reid and his followers were scorned by the Dunedin daily papers, although the Daily Times could not bear to be too warm in its advocacy of Macandrew. The Times reviled the "Liberals" as clodocrats, a label that became a mark of pride among members of that party. Clodocrats were almost virtuous in the eyes of the Tuapeka Times: "Give us, we say, clods in preference to snobs any day: the former can be utilised, but the latter are nothing but excrescences in the body politic, or parasites sapping the lifeblood of the country."² A letter in the Echo, signed "Liberal", explained the horror that would be occasioned by a Reid victory:

Dunedin has its elite, its "upper ten", its inner and select circle, and those who have the honor to dwell in the high places where these choice spirits reign, cannot brook the idea of some one of the "great unwashed" being elevated above them, and placed in the seat of honor. How can it be expected that the merchant princes of Dunedin will ever bring themselves to do homage to the man who has been "on the roads"... Only think of the lawyers, the merchants, the squatters, and others, who reign in High street, having to lift their hats to a man who has not received a "liberal education", who cannot speak and write the English language grammatically. No wonder High street is aroused, - no wonder snobdom is in arms, - no wonder all the powers of the exclusive exquisites are called forth to oppose the invasion of their sacred prerogatives by a man just clear of the plough.³

The struggle between Reid and Macandrew created an excitement without precedent in Otago. Political feeling in Dunedin became feverish. Macandrew's meetings, in particular, were boisterous, disorderly events. Vogel arrived in January 1871, ostensibly to sell the loan scheme but clearly with the additional motive of doing everything possible to aid Macandrew's return.⁴ Reid countered, saying: "not only is everything being done which capital can do to influence the

1 Echo. 24 December 1870.
2 Tuapeka Times. 12 January 1871.
3 Echo. 4 February 1871.
4 ODT. 21 January 1871.
Part Three, Chapter Two

election, but ... the Colonial Government were unduly interfering."¹ Vogel's public meeting almost erupted in riot. John Barnes came close to a brawling with John Sibbald. As soon as Vogel left, tenders were called for the Clutha Railway (a palpable election ploy, which gave credence to Macandrew's promises of jobs for labourers).²

Numerous incidents contributed to the tension. A putative second letter from Driver to Treweek, in fact a forgery, was displayed around the city. Traffic was impeded by the crowds trying to read the placards when they were first posted.³ J.C. Brown was sued for libel for writing that Driver had arranged with Macandrew to reduce the area of the hundred on John McKellar's Tapanui run because "Driver had the Superintendent in his power, and Driver could do with the Superintendent as he liked because he had money."⁴ The jury accepted the plaintiff's version of the facts, yet held that the statements were not defamatory.⁵ Barnard Isaac, "a most ardent supporter of Mr Donald Reid, and withal a rather excitable gentleman", decorated the windows of his Princes Street chemist shop with cartoons and printed comments on the election.⁶ He over-stepped the mark by exhibiting resolutions passed by the Licensed Victuallers, who of course supported Macandrew, "accompanied by some rather pungent remarks thereupon".⁷ A crowd of thirty or forty ruffians arrived and tore down the placards. Some entered the shop and made violent threats. One publican called MacGregor said he would pound Isaac's head into particles as small as the pills he sold. Poor Isaacs was quite intimidated and for several hours felt unable to go outside for his glass of grog unless accompanied by a policeman.⁸

Outlying districts exhibited similar enthusiasm. Macandrew received a fiery welcome in Lawrence, a stronghold of the Southern League. His audience bombarded him with hostile questions and resolved by two hundred votes to nine that it had no confidence in his political honesty. Macandrew was furious: "He didn't care for one of them. He would get in in spite of them and he knew that he had come to the lion's den."⁹ No doubt he was forewarned of the reception in store.
for him by the arch "hung with black drapery and bearing the inscription "Traitor", which greeted him on his way into town. After the meeting he was hanged in effigy.1

The Evening Star feared the threat that Tuapeka posed to Macandrew's cause and its special correspondents in that place sent entertaining, though highly-coloured reports of political feeling and activity there. The Blue Spur letter asserted:

Neither the beer nor the bounce of the great founder of the Southern League [Bastings] are sufficiently popular with us to prevent our steadily supporting [Macandrew]... who would have done more for the Province but for the machinations of those veteran Victorian politicians, whom no Victorian ever heard of. 2

The Waitahuna correspondent was prepared to enjoy the electioneering tactics employed by the stalwarts of the League. In his village, "the seductions of that delightful Black Horse beer" - the product of Bastings' brewery - seemed to have a strong attraction for the voters:

Fine times these! glorious work electioneering, especially when a brewer is canvasser-in-chief. All the "swiping" fraternity are in ecstasy and vow they will stick to Mr Reid through thick and thin. What with beer and condescension, we are of course very enthusiastic in the city of eels. It is such an honor to have a real live mayor [Bastings] hob-nobbing quite sociably with one, or a veritable MPC and MHR [Brown] interspersing an account of "ow I did it in the 'ouse' with welcome "shouts".3

Reid's meeting at Waikouaiti was the largest yet seen there.4 It was said that "the miners of Macraes care little or nothing for politics and almost laugh at them that do", but vigorous canvassing by John McKenzie on behalf of Reid seemed to shake their apathy.5 At Dunstan there was an attempt to boycott storekeepers who voted the wrong way.6 Naseby was perhaps the least radical of the goldfields districts and the township itself had strong leanings towards Macandrew. Sterling

1 ODT. 17 February 1871.
2 Evening Star, 17 January 1870.
3 Evening Star, 18 January 1870.
4 ODT, 3 February 1871.
5 ODT, 6 February 1871. There were seven votes for Macandrew and five for Reid.
6 Dunstan Times, 24 February 1871.
work by John Armstrong, who "preached up" his man around the miners, earned Reid an unexpected majority in this place. Armstrong's own popularity ran high, "despite his having knocked the teeth out of many" in the course of his dentist's tour of the goldfields. He became the second former member of Young Ireland to be elected to the Council of 1871.

Dunedin witnessed a grand spectacle on polling day. "There were cabs in abundance and touting and canvassing enough. Even merchants and others neglected business for the day and seemed alive to politics." Almost all the publicans strove hard to influence votes for their hero, the incumbent Superintendent. The effects of their liberality began to show among the lumpen element that was invariably present at Macandrew's elections, especially when it was announced he had won a surprisingly large majority in the city:

Mr Macandrew's friends got frantic with delight, and some of them went to a good many public houses, in one of Cobb & Co's largest coaches, and "liquored up". The coach was overturned near the Criterion Hotel, and happily no one was injured; one of the lamp posts, opposite the White Horse, was, however, broken.

Macandrew's lead dwindled during the night. Country districts and the lower goldfields went overwhelmingly for Reid, though beyond Tuapeka, Teviot and Waikai the honours were more evenly divided. It was only Southland that saved Macandrew by a slender margin, having swallowed the bait of promised railways.

It had been an exhausting but spirited campaign. Both men travelled great distances around Otago and helped make the election the first to be a genuinely provincial event. Reid was not surprised at his defeat: "Considering the fact that the Banks - that the moneyed influence of this province was against me... the banks, the squatters and the squatting agents... the Licensed Victuallers' Association formed themselves into a body to oppose my return." The Bruce Herald's Dunedin correspondent agreed that "the power of the licensed

---

1 Mount Ida Chronicle, 24 February 1871.
2 Mount Ida Chronicle, 24 February 1871.
3 Echo, 25 February 1871.
4 Echo, 25 February 1871.
5 Bruce Herald, 11, 13, 18 January 1871. Mt Ida Chronicle, 24 February 1871.
6 ODT, 1 March 1871.
“victuallers” had been once again demonstrated. The *Echo* sought the cause of Macandrew’s escape in the incongruous alliance of working people and the wealthy in Dunedin:

No sooner have the High-street people, by hook and crook, seized on land, which they hold in defiance of their leases and deeds of covenant, than they appeal to the proletaires or “wages receiving class” for support, by promising them “public works”, and the expenditure of public money, to show how they mean to fulfil their promises, lavish money on the day of the meeting of the comitia. Mr Reid’s defeat has been caused by the Otago patricians, with the aid of the Dunedin proletaires. For once most ably has High street been aided by the publicans and some of the “working” men.

There were, according to the *Echo*, five categories of Macandrew supporters:

1. Old settlers and private friends of the Superintendent, some of whom “would vote for him if he stated that the moon was made of green cheese and that it was the duty of the government to get to the moon to preserve it from mites.”

2. The pastoral lessees.

3. Those who expected benefits from the “Loan Lotteries”, including many labourers.

4. Those who believed, erroneously, that it was a contest between “progress” and “non-progress”.

---

1 *Bruce Herald*, 1 March 1871.
2 *Echo*, 25 February 1871.
3 *Echo*, 25 February 1871.
4 *Echo*, 25 February 1871.
5 Some working people feared the introduction of cheap labour and denounced Vogel’s plans for assisted immigration. The *Echo* had reported the appearance of a placard in the town that was inscribed: “Already our fellow workmen in Victoria have arisen, have most nobly stood up for their rights, and solemnly protested against assisted immigration.” *Echo*, 18 February 1871.
5. Workingmen carefully schooled in the opinion that Reid was in favour of reducing wages, that he had availed himself of the bankruptcy laws and had spoken disparagingly about Roman Catholics.¹

Macandrew's hopes for a compliant House were thoroughly dashed. Driver must have been disappointed too, having formed another company for the Southern Trunk Line.² "Liberals" dominated the new and enlarged Council that assembled in March. At least on paper, Reid had a majority of twelve, and from this point until abolition it was impossible for any Government to survive long that did not possess his approval. A repetition of the feared deadlocks between the Council and the Superintendent seemed likely.

In the face of stiff opposition from the Licensed Victuallers, who declared Reynolds and Driver among their preferred candidates, the "Liberals" secured five of the Dunedin and suburban seats.³ John Bathgate was returned and great things were looked for from the fiery G.E. Barton, who promised he would "blaze" at the squatters.⁴ William Barr succeeded at Kaikorai despite the efforts of R.B. Martin, John Roberts "and the squatting party".⁵ George Lloyd, once a member of the Club and MPC, also had designs on the seat and possessed admirable qualifications:

When he had the honour of representing them before, they were well aware that he opposed the encroachments of the squatters... He stood solus in 1866 in advocating their rights against the squatters, being then the admitted champion of the cockatoos, for whose sake he was reviled by his most intimate acquaintances... He warned them that the almighty dollar was already at work in the district... if they returned him, it would be the heaviest blow that had been inflicted on the High Street Party...⁶

Armstrong and Bastings, two of the new goldfields men, were ardent Reid supporters. Elsewhere in the Province there were other notable victories. At Waihemo, for instance, "an uncompromising Gael of the MacKenzie clan...
defeated the great Douglas, king of squatters."¹ The Southland men were an unknown quantity, but Daniels and Lumsden were thought to have liberal inclinations and great faith could be placed in Dr Menzies, "one of New Zealand's Lords, yet an advocate for the people, a rare combination."²

E.B. Cargill, Reynolds, Turnbull, Bell and Driver made up the High Street rump and were backed by the other runholders: Christopher Basstian, Dr Webster and "Big" John McLean. Driver was soon obliged to resign because of bankruptcy and his Waikari seat was kept warm for him by J.L. Macassey.

In accordance with convention, Reid and his Ministry resigned from office on Macandrew's victory. The Superintendent's choice of replacements, Cargill and Turnbull, made it plain that his sympathies still lay with the runholders. Cargill's willingness to serve Macandrew, the object of his intense hatred in earlier times, caused ironic amusement among Reid's friends.³ The Dunstan Times, although never a strong believer in Donald Reid, was thrown into a panic by this development:

He [Macandrew] has surrounded himself with squatters [and] is pledged to the pastoral interests to a certainty[.] Messrs Cargill and Turnbull are squatters to the backbone, and only lack the opportunity to convert the whole of the Province into a sheep run. Sheep not men is their motto... If this government manage to continue in office for only twelve months the squatters will have all they want, and goodbye to settlement on the gold fields... The liberal party have a great battle to fight... Never before was the goldfields interest placed in such jeopardy. The enemy has made a bold stand this time. They do not propose to do their work with hirelings, they have brought their best men forward to the contest, and [they] have a large personal interest staked upon the issue.⁴

Alarming, too, was the desertion of that "Liberal" stalwart, Charles Haughton, who also took office in the new Government. Stories had been told of his having meetings with Vogel and Driver, and of his connections with the Evening Star and Southern Cross.⁵ Such a drastic change of allegiance was quite consistent with the character of the man: "if his views of today were not palatable,

¹ The Southern League, 11 July 1871.
² The Southern League, 10 July 1871.
³ James Reid to Reid, 25 April 1871, Reid Papers, OESM.
⁴ Dunstan Times, 21 April 1871.
⁵ Echo, 7 January 1870.
in twelve months hence [he] would not regard it as a serious offence to adopt those which were diametrically opposite." A friend of Reid's consoled him: "I always looked upon him [Haughton] with suspicion and with the exception of his vote he did more harm than good to any party he might ally himself with." Haughton became the first of several important "Liberals" in Otago who were swept into the net of Vogelian patronage. His reward was the Undersecretaryship of Public Works.

As had been widely anticipated, the "clodocrats" immediately showed their strength in the new Council by dismissing Reynolds from the Speakership. His overt opposition to their party made this an obvious first move. John Gillies occupied his place on the rostrum and performed the task with conspicuous ability and impartiality. The Bruce Herald was delighted with the "Liberals" 24-12 majority on this question: "Oh! tell it not in High Street, nor whisper it in the precincts of the Club, lest squatterdom despair."

To the ODT, the overthrow of Reynolds was a disturbing omen. "There is no use shutting our eyes to the fact that there exists in the new council a strongly organised party which concurs in the views held by Mr Reid." Party feeling would again run high and renewed bickering on the land question seemed unavoidable. Cargill and Turnbull brought down their land resolutions and were immediately hurled from office. "The anathema of the League was upon them." Reid selected Cutten and Bathgate as his companions on the Treasury benches.

The question of who would join them as Goldfields Secretary was more problematic. Three of the four goldfields Members whose claims to office were pressed upon Reid would have to be disappointed. With good reason, Bradshaw was eventually selected for the honour ahead of Brown, Shepherd and Bastings. Frustrated in their aspirations, the unsuccessful parties would later be a weakness in the party. The Daily Times predicted, "those honourable members who have been left out in the cold will either form a 'Cave of Adullam' or join the ranks of

---

1 ODT, 17 June 1871.
2 Robert Mitchell to Reid, 9 August 1871, Reid Papers, OESM.
3 ODT, 29 December 1871.
4 C.A. de Latour, who would probably not have considered himself a political ally of Gillies, nevertheless testified that he was "an excellent chairman, only excelled - if at all - in his office by Sir Maurice O'Rorke." C.A. de Latour, The de Latours in New Zealand, Gisborne, 1923, p. 29.
5 Bruce Herald, 31 May 1871.
6 ODT, 26 May 1871.
7 ODT, 10 June 1871.
the future Opposition".\(^1\) Within a short period the accuracy of its prophecy became all too apparent.

In the meantime "the League government" - "the Liberal Party, as they love to style themselves" - held sway in the Council.\(^2\) Its trenchant critic, the **ODT**, asserted that the Government was kept in power only by the determination of the League that "nothing tainted by squatterdom should occupy their seats."\(^3\) Reid was portrayed as being driven by the more violent of his party whom he could not afford to throw over "and who demand at intervals a sort of profession of faith from their leader", hence "the constrained manner in which he methodically repeats again and again the League formulae..."\(^4\) The commentary of the High Street journals did not pass unchallenged. Both the **Echo** and the **Southern League** were in full cry during the 1871 session. Their columns added to the excitement, with ranting expositions of the political and social condition of the colony.

The main achievement of the session was the passing of resolutions aimed at a complete revision of the land law. Repeal was sought of the Hundreds Regulation Act and its amendments. Provision was to be made for selling land under a system of deferred payments. No more than 320 acres could be purchased in this way and title was withheld until certain requirements of residence, cultivation and expenditure on improvements had been satisfied. The Council also wished to make a stipulation that title could not be transferred except in the case of the death of the owner, and then only with the consent of the Government.\(^5\) This was a serious matter for runholders who could not, under this system, buy large freeholds out of the hundreds as some had done in the past. The Legislative Council imposed a limit of 30,000 acres on the area that could be sold on deferred payments in any year, but the benefits of the system could be extended by interspersing deferred payment sections with unrestricted land in a gridiron pattern.\(^6\)

The land policy of the "Liberal" Government - "liberal indeed with other people's property" - exasperated the **ODT**.\(^7\) But though some of the "clodocrats" went "not very far from the principles of the ruling powers in unhappy Paris, and

---

1 **ODT**, 2 June 1871.
2 **ODT**, 10 June 1871.
3 **ODT**, 10 May 1871.
4 **ODT**, 3 July 1871.
5 **VPOPC** 1871, Appendix, p. xxii.
6 The land proposed to be selected for deferred payments was described in **ODT**, 24 July 1873.
7 **ODT**, 12 June 1871.
evidently aimed at a policy of spoliation", there was at least the consoling hope that they would have little influence in Parliament.\(^1\) The "blathering of the children of the League", it warned, would lead to centralism of a very pronounced type.\(^2\) Powers that the "Liberals" seemed reluctant to use "judiciously or honestly" might well be stripped from the Provincial Government.\(^3\)

Followers of Reid did not appreciate being lectured by the *Daily Times*. In July, the Council affirmed a resolution proposed by Barton to record that its debates on the land question were unfairly and partially reported by that paper. The *Southern League* added its own rebuke:

A representative assembly, the majority of whom are cautious, steady, and well-to-do Scotchmen, deliberately and solemnly records its conviction of the baseness and utter unreliability of the leading journal in Otago - a journal whose partiality to a favored class, the squatters, is only equalled by its disregard for honest journalism. The subject is too nauseous for further discussion in our columns.\(^4\)

The land resolutions did not pass through the House of Representatives without resistance. Several times during the second reading of the Otago Waste Lands Bill "the government and their squatting friends" tried hard to have the House counted out.\(^5\) Two ministers threw dinner parties that evening and several other functions were held, the plan being to keep Members away from the chamber or make them late. Supporters of the Bill managed to keep proceedings alive and when word reached the dinner tables that the House was in committee and going through the clauses, "the squatters and their friends came pouring into the chamber - all in full dress."\(^6\) The debate dragged on until 4 a.m. with George McLean and others attempting to speak against time.\(^7\) Notwithstanding these tactics, the Bill passed the Lower House. Prorogation intervened before it could be

---

1 *ODT*, 12 June 1871.
2 *ODT*, 12 June 1871.
3 *ODT*, 12 June 1871. See also William Handyside to Roberts (17 October 1871, 625/2, Roberts Papers): "I observe what you say about your government (Provincial) you know my opinion of them and it is certainly not improved by their late discussions, I do hope the legislature will take the management of the Crown lands out of their hands, our friend Bathgate seems as great a humbug as ever."
4 *Southern League*, 21 July 1871.
5 *Echo*, 18 November 1871.
6 *Echo*, 18 November 1871.
7 *Echo*, 18 November 1871.
approved by the Legislative Council and the measure had to be reintroduced in 1872.

The impact of the deferred payments system was repeatedly blunted by the Legislative Council. An amendment introduced in this chamber limited the area that could be opened under the new regime to 30,000 acres per year, and the size of farms was reduced from 320 acres to 300 acres. No further land could be thrown open for selection until half the area was taken up and cultivated. In 1873 and 1874, the Provincial Council urged the modification of these terms, but each time the reforms were blocked. The absence of Robert Campbell in 1875 seemed to offer a chance of success "but not a great one, as there are many others of similar opinions similarly inclined who are at their places in the Council." The restrictions were removed that year, though not before the Upper House attempted to raise the upset price. This increase would have deterred some prospective applicants and was condemned by the House.

It was not without reason that Stout condemned the Assembly as "irrevocably squattocratic". His frustrations were shared by other proponents of the reform, including Captain Thomas Fraser. There was ample proof that the radical inclinations of the Provincial Council could be controlled in the Legislature, and this partly accounts for the more moderate position adopted by the runholders in the last years of provincialism.

Phase Three: The "Liberals" in Decline - The Triumph of Factionalism

In 1871 the "Liberals" were at the pinnacle of their power but, by the end of the year, symptoms of decline were apparent. Thomas Luther Shepherd was showing signs of recalcitrance before the session ended and, on one occasion in the Assembly, his vote was all that saved the Fox-Vogel Government. Bastings and Brown, both disaffected after Bradshaw's appointment as Goldfields Secretary, soon found an excuse to free themselves from Reid.

1 Parliamentary Debates, 19 September 1873, pp. 1116-1120; 29 July 1875, pp. 116-118; 1 September 1875, pp. 44-48.
2 ODT, 6 August 1875.
3 Otago Waste Lands Act 1872 Amendment Act 1875, Section 3.
5 ODT, 7 May 1875.
7 Echo, 17 June 1871.
In a clumsily-managed transaction, Bradshaw and Cutten arranged the sale to "Big" Clarke of 50,000 acres on his Moa Flat station. Soon afterwards, Cargill and Anderson were permitted to buy 20,000 acres on Teviot station. These sales were forced upon the Reid Ministry by an unfortunate set of circumstances. Land sales had slowed owing to the economic situation and the Government's reluctance to open land under the existing legislation. Pressure from the Bank of New Zealand to reduce the provincial overdraft, and pledges made by the Cargill-Turnbull Government made the sales imperative.¹ There was no man other than "Big" Clarke, that most detested of capitalists, who could supply, at short notice, the large sum required.²

These sales could only be seen as an act of betrayal on the goldfields. Tuapeka, which had been a Reid stronghold, now became alienated from the "Liberal Party" and Bastings and Brown at once distanced themselves from their former colleagues.³ The extent of the cleavage was revealed during the relatively quiet session of 1872. Shepherd convened a meeting of opposition Members in the Provincial Council library. Bastings, six other goldfields Members and Theophilus Daniel attended - "the glorious nine", as they were sarcastically labelled.⁴ Their plans of turning out the Government tamely fizzled out. The attempted opposition was seen as another manifestation of Shepherd's unquenchable egotism. "Premature publicity killed it, and popular ridicule rendered its memory so odious that its members tried hard to make people believe it had never existed."⁵

The signs of disunity were sufficiently clear to tempt Macandrew into the bold step of dismissing Reid. His pretext was flimsy: the Provincial Secretary should not hold a higher position (in this case, Minister of Lands in the short-lived Stafford Government) than the Superintendent. He replaced Reid with a caretaker Government of Tolmie, Turnbull and Bastings, which held office for eight months. The main feature of the Tolmie regime was the further sale of large blocks of land to squatters whose runs were threatened by mining or settlement. James Logan and Robert Campbell bought ten thousand acres each and there were attempts to

¹ Otago Witness, 20 January 1872, p. 10. ODT, 10 June 1873.
² Parliamentary Debates, 1 September 1875, p. 47.
³ Dunstan Times, 3 November 1873.
⁴ ODT, 27 May 1872.
⁵ ODT, 4 June 1872.
buysimilarly extensive areas by F.W. Mackenzie and Larnach and by Tolmie himself.¹

A storm of criticism met Tolmie when the Council was summoned in May 1873 and he immediately resigned. Reid tried to include Bastings in his proposed Ministry but this was objected to by members of his party. In any case, Macandrew seemed disinclined to accept any names submitted by Reid. After several indecisive days he suddenly prorogued the Council.² Sensing the weakness of his "Liberal" antagonists, Macandrew anticipated that fresh elections might complete the breakup of the party and he petitioned the General Government for a dissolution without a resolution of Council. The request was granted despite the telegraphed dissent of a majority of Members.³ Of course, as the ODT noted, Macandrew would never have contemplated this action without the foreknowledge that Vogel would consent to such an irregular procedure.⁴

No sooner had electioneering begun than some new alliances came to light. Bastings was now a confirmed Macandrewite.⁵ The Superintendent's campaign was organised by Fish and Driver. The irony of their acting in close concert after Fish's recent denials of ever having colluded with Driver did not escape notice.⁶ Now mysteriously reconciled, they formulated a ticket of pro-Macandrew candidates for the city election. Three "rats" from the "Liberal Party", Bathgate, Barton and Fish, were included among the seven names.⁷ The Daily Times despised Fish. It considered his efforts to dictate the course of the election an act of gross impudence. For his part in encouraging him, Driver received a veiled but unmistakable and most uncharacteristic swipe from the editor's pen:

... no doubt, the electors will take the opportunity to resent the insult which has been offered them by the band of conspirators who plot daily in the High street Committee Rooms, under the guidance of Mr Fish, and another politician, whose name is more frequently associated with string pulling than with useful legislation.⁸

---

¹ For a more detailed account of these developments, see F. Sinclair, "Waste Howling Wilderness", Ch. 4.
² ODT, 20 May 1873.
³ ODT, 22 May 1873.
⁴ ODT, 23 May 1873.
⁵ ODT, 5 June 1873.
⁶ ODT, 4 June 1873.
⁷ ODT, 4 June 1873.
⁸ ODT, 9 June 1873.
Macandrew's committee employed the same tactics that had proved so successful in 1871. Placards, facsimile voting papers, canvassers, hired cabs and shouting were again much in evidence. Fish was everywhere about town as he shamelessly "buttered up men whom a short time since he bespattered." Candidates not among the chosen seven must have found the organisation of their opponents quite intimidating. Barnard Isaac apologised to his followers that he was only a working man "and could not provide them with cabs or give them as much beer as some of his rivals."

Such inducements proved too powerful and all of the ticket men, except Barton who was absent in Wellington, were returned. The Daily Times, which had suddenly developed a conscience on these matters, deplored the great sums of money spent achieving this result. It foresaw the emergence of powerful rings and feared that the electoral process would be compromised by the efficacy of these ploys. Before the election it had been generally rumoured that most of those for whom Fish campaigned would have preferred not to have him as a colleague in Government. Considerable astonishment was therefore occasioned by the 700 votes which Fish managed to poll. "Very singular methods must have been resorted to", thought one correspondent to the ODT.

Macandrew was confident of re-election; there would have been no dissolution had he not been. Owing to the ill-health of Major Richardson, to whom the "Liberals" first appealed, John Gillies finally accepted the unpleasant task of opposing the Superintendent. Voting followed the pattern of the 1871 contest. Macandrew won large majorities in Invercargill and Dunedin, while Gillies commanded the country districts. Returns were more evenly divided on the goldfields. Here Gillies had the prestige of having been a Victorian digger. He could also claim authorship of the provisions for agricultural leases on the diggings. The Arrow Miners' Association nevertheless pledged itself to Macandrew and, with Bastings now on his side, the Superintendent polled strongly at Tuapeka.

Macandrew emerged from the election with his majority increased to over one thousand - a further indication of the ground lost by the "Liberals" since their

---

1 ODT, 17 June 1873.
2 ODT, 17 June 1873.
3 ODT, 7 June 1873.
4 ODT, 11 June 1873.
5 ODT, 14 June 1873.
6 Arrow Observer, 13 June 1873.
heyday in 1871. Fish saw this outcome as a personal triumph. When the figures were officially announced outside the government buildings, he took it upon himself to thank the returning officer and then expressed to the crowd his immense gratification at the result. A flour bag hit the parapet where he stood, suddenly ending his harangue. This signalled the rapid dispersal of the gathering, "amid further showers of flour bags and the explosions of a chinese cracker, which someone threw into the middle of the spectators."1

The new Council divided into three camps. The High Street faction was slightly stronger than before.2 Reid and Stout, with some new Members at their tail, led remnants of the old "Liberal Party".3 A third faction, headed by Fish and Bastings, purported to be liberal but in reality pursued mercenary aims. This group comprised mainly goldfields men and country Members alienated from Reid.4

Alliances with another faction were essential for any government to retain power. The new Ministry announced in November was a reflection of this circumstance. Tolmie stepped aside to allow Turnbull to form a government with Bastings. They were joined by James Shand and Dr Webster. Shand had broken from the "Liberals" after being snubbed by the party's leaders.5 He was also bent upon the construction of a railway to Outram and privately insisted that this be accommodated in the estimates before he would accept office.6 Webster made similar stipulations about the Waiareka Railway. This line was to pass close to his Corriedale estate, a property he sold to another Member of the Council, Richard Oliver, in 1874.7

The Turnbull-Bastings combination broke up during the recess. Personal differences lay at the bottom of this, but Turnbull also made allegations that Bastings spent unauthorised sums on the Lawrence road and interfered in the awarding of contracts for the benefit of a friend. The charges could not be substantiated, but neither Bastings nor Webster emerged from the subsequent

1 ODT. 19 June 1873.
2 Turnbull, Webster, John Davie, Haggitt, James Mills, George McLean, Richard Oliver, Reynolds, John Roberts, Teschemaker, Tolmie, Turton, Joseph Rogers and Driver.
3 Reid, Stout, Mollison Kinross, M'Neill, M'Kenzie, Mackellar, Allan, Green, Hallenstein, Ireland.
4 Bastings, Fish, de Latour, Brown, Browne, Clark, Clarke, Hazlett and Shand.
5 ODT. 4 July 1873.
6 Reid was the chairman of one company formed to build the Mosgiel-Outram line and Shand was chairman of a rival concern. A. Eccles and E.N. Reid, Donald Reid: Pioneer, Statesman, Merchant 1833-1919, Dunedin, 1939, p. 240.
7 Ritchie to Russell, 20 January 1874, p. 12, Ritchie Papers.
inquiry with their reputations enhanced.¹ Ritchie wrote: "The old doctor is as stubborn as a mule... He is a very selfish man, & has not come very well out of some political dodgery last year about the Waireka Railway."²

The rift with Bastings led Turnbull to look for assistance in another quarter. A new coalition was formed, with Reid and Stout replacing Bastings and Shand. This created further divisions in the "Liberal Party". Reid misled Stout into believing that the party had agreed to the union when, in fact, no such consent had been obtained.³ At the first caucus of "Liberal" Members there were more defections to the Fish and Bastings faction. J.C. Brown was the first to declare against his old leader, although the breach had actually occurred much earlier. He wrote afterwards: "Reid has been made a tool of by the squatters and sold his party. Stout is the only safeguard. I did not think Reid would have shown such a desire for office."⁴ Fish told the House of a rumour that Reid:

... was presented with what is called a "round robin" whereby certain gentlemen representing what is known in Dunedin as the High street clique, and the squatting fraternity outside, promised to support the honourable member through thick and thin if the present treasurer [Turnbull] and Dr Webster were taken into the Government.⁵

More accusations were hurled when Bastings attempted to unseat the new Government. There were few significant differences in policy to justify a no confidence motion; it was essentially motivated by his resentment of Turnbull and Reid and encouraged by the revival of hostility between the goldfields and country Members. An attempt was made to unify the goldfields men behind Bastings. Only McKellar, Hallenstein and Ireland resisted the pressure, McKellar on the ground that it would perpetuate the notion of the goldfields Members forming a distinct class.⁶ As Donald Henderson remarked, harking back to a long-standing weakness in the "Liberal Party":

¹ *Evening Star*, 10 June 1874.
² Ritchie to Russell, 1 August 1874, p. 120, Ritchie Papers.
³ *Southern Mercury*, 20 January 1877, p. 64. The *Bruce Herald* disliked the move, criticising Turnbull for "his want of character as a politician and his well-known connection with the High Street Clique". *Bruce Herald*, 25 May 1875.
⁴ J.C. Brown to Hill, May 19 1874, Reid Papers, OESM.
⁵ *ODT*, 7 May 1874. John Davie felt he stood accused as the conspirator behind the "round robin". *ODT*, 7 May 1874.
⁶ *Cromwell Argus*, 30 January 1874.
... the present squabble [was] the most unworthy that had ever taken place in the House... It had been nicely got up by the Goldfields members, who had for a long time had too much power. He hoped soon to see this clique broken up.¹

Having himself coquetted with the squatters, Bastings could hardly pose as a paragon of unsullied liberalism.² Fish, too, was reported to have said that the break-up of the "Liberal Party" was a blessing of providence.³ A number of old "Liberals", including Green and Clark, were nonetheless prepared to support them. In their eyes, Reid and Stout had covered themselves in shame by taking office with such company. John McKenzie stated that "the High Street rat-catchers had found a bait" for his former colleagues.⁴ Andrew Kinross was one who stayed loyal to Reid, though he confessed, "it seemed strange to be surrounded by runholders and other conservatives at the divisions."⁵

Bastings' motion was lost by twenty-four votes to seventeen, and his opposition faction soon dwindled to a core of ten Members. These men were still able to cause disruption in the Council and were not unwilling to demonstrate this capacity.⁶ Henry Driver remained strangely quiet during the factional manoeuvrings of 1874, though it is likely that he was pursuing some strategy. Driver probably realised that feeding the ambitions of Fish and Bastings (both Freemasons like himself) would prevent the "Liberal Party" from regaining the dangerous unity it had possessed in 1871. There were, in addition, more immediate benefits to be wrung from such a policy, and Driver began to show his hand in 1875.

At the start of the session of that year, Fish and Bastings seized an opportunity to oust the Executive and put themselves in office. Henry Driver was a conspicuous supporter of the new Ministry. This gave rise to allegations of "string-pulling" from Reid and others.⁷ Ritchie told John Roberts of a rumour that Driver had pledged himself to Bastings and Fish if the boundaries of certain

¹ ODT. 15 May 1874.
² When news of his alliance with Turnbull was announced, the Bruce Herald dryly remarked, "the Lion [of Lawrence] has crouched and fawned to the lamb and has lain down in the green pastures of a squatters' executive." Quoted in Evening Star. 5 December 1872.
³ ODT. 15 May 1874.
⁴ ODT. 15 May 1874.
⁵ A. Kinross, My Life and Days, p. 36. He changed sides, however, during the next session.
⁶ ODT, 5, 6 June 1874.
⁷ Bruce Herald, 25 May 1875.
hundreds were altered to avoid threatening his investments at Conical Hills or those of his client McIntyre at Merino Downs. "He is a wonder for plots", marvelled Ritchie.1 Driver also used his influence over Bastings as a tool to threaten refractory clients with the loss of their runs.2

Reid promised the new Government no factious opposition but, after only a week, the Bastings Government was cast out and replaced by the old grouping of Turnbull, Reid and Stout. James Green was also included in the Ministry, a move that was understood to signify a reconciliation between Reid and some of his old party "whom he had deserted or at least treated rather badly when he allied himself with Mr Turnbull last year."3 The rift with Bastings, however, seemed beyond healing and continued to cause heated scenes in the chamber.4

In this same fashion, the Provincial Council faced the inevitability of abolition. The strength of feeling manifested in 1871 was not sustained. Just four years after pouring scorn on the "Liberal" leader, the ODT would write "we have come to rely on Mr Reid" and express its desire for a political reunion between him and Bastings.5 From the time Reid and Stout entered the coalition Ministry in 1874, the "Liberal Party" as it had formerly existed was virtually a spent force in the Council. The increasing likelihood of abolition had much to do with the weakening of its influence. For provincialism to have any credibility in Otago, it was necessary to press on with land sales and public works. Extremism on land issues was futile if control of the waste lands was shortly to be resumed by the General Government. Although the power of squatterdom could be contained in the Council, it was believed that banks and runholders held sway in the Assembly. The hard-won gains of the provincial "Liberal Party" might conceivably be lost under a centralist regime.

This much was conceded even by journals traditionally hostile to provincialism. There was little sympathy for the Provincial Government in goldfields districts, but the Arrow Observer saw a contrast between the democratic environment of the Council and the squatting and bank parlour sympathies of Parliament: "... such changes [towards centralism] as would give the banks and

1 Ritchie to Roberts, 21 June 1875, 625/4, Roberts Papers.
2 Ritchie to Russell, 29 June 1877, p. 262; 12 February 1877, p. 201, Ritchie Papers.
3 Bruce Herald, 8 June 1875.
4 Bruce Herald, 8 June 1875.
5 ODT, 20 May 1874.
runholders unlimited power must be strongly opposed."¹ Saving provincialism became the main preoccupation of Reid, Stout and others, and this eventually led to a reconciliation with old enemies like Macandrew.

The connections between centralism, the interests of runholders and the government borrowing scheme had been manifest from the start of the Vogel era.² Fear that provincial control of waste lands would be undermined by the proposed loans lay behind the rejection by Canterbury and Otago of Gisborne's memorandum about the laying aside of railway reserves. In 1871 it seemed that this rebuff must end the scheme or precipitate a struggle between the landed and the landless provinces.³

The creation of large reserves as security for the loans was also seen as a measure designed to protect runholders. E.C.J. Stevens spelt out the implications of the borrowing legislation in a letter to Stafford. He thought that the Vogel Ministry was "altogether and solely the friend of the squatters."⁴ The reserves provisions were "a powerful engine... in the hands of any government to buy squatters' support."⁵ The Public Works and Immigration legislation was further calculated to appeal to runholders because it created a strong impulse towards centralism: "Both the Canterbury and Otago squatter would rather at any time have his case decided in Wellington where he has votes to sell than at home where hot public and local pressure is brought to bear."⁶ By the early 1870s, there was a conviction that abolition would play into the hands of the runholders:

However powerful the Pastoral Lessees may be in Wellington, it has been found that in Otago their power is limited. Provincialism, therefore, stands between them and their schemes,

¹ Arrow Observer, 17 November, 8 December 1875. For the notion that abolition concentrated power in the hands of runholders, see C.W. Purnell, "The New Zealand Confederation", Dunedin, 1877.
² Ritchie expected the competition between Central and Provincial Governments to play into the hands of runholders wishing to make freehold parts of their estates. He had designs on 20,000 acres on Otemetata and thought the Provincial Government would sooner or later be driven to accept offers for such blocks. Ritchie to Russell, 29 August 1874, p. 175; 27 July 1875, Ritchie Papers.
³ E.C.J. Stevens to Stafford, 13 August 1871, Stafford Papers.
⁴ E.C.J. Stevens to Stafford, 27 August 1871, Stafford Papers. The logic of national borrowing created strong pressures for centralism from the outset of the Vogel scheme. Vogel thus became of central importance for two of the most powerful interest groups in the House: the BNZ and the South Island runholders. In vindication of Stevens' prophecy, Macandrew attempted to pledge run 111 as security for the Clutha Railway. This run was owned by a close friend, Alexander McNab, and was earmarked for settlement under the deferred payments system. ODT, 18, 24 June 1873. For a list of other runs due to be opened for settlement, see ODT, 13 May 1875.
⁵ E.C.J. Stevens to Stafford, 27 August 1871, Stafford Papers, MS Papers 28, Alexander Turnbull Library.
⁶ E.C.J. Stevens to Stafford, 27 August 1871, Stafford Papers.
and they cry - why not abolish this cumbrous and expensive system?1

In later years, G.E. Barton adverted to this peculiarly southern gloss on the abolition question:

Provincialism was abolished... to keep the lands from the people. The Provincial Councils in Otago and Canterbury were beginning to nibble the lands from the runholders. In Otago was established the deferred payments system under which Otago has been so largely and successfully settled. "Oh," said the land ring, "this system must be stopped by some means, how can we do it?" Vogel answered, "abolish the Provinces," and it was done.2

Although the runholding interest generally desired the removal of Crown lands from provincial control, enthusiasm for this reform was moderated by the knowledge that abolition could mean a common purse and the loss of Otago's advantage in the revenue it received from land.3 This at least left some room for compromise. If provincialism was to compete with the attractions of Vogel's spending programme, railways and other works would have to be built with some urgency. It was no doubt with this in mind that Reid spoke of "burying the hatchet" in 1874.4

By that stage it was doubtful that he could command a strong enough following to govern without making concessions to one of the other factions in the House. The "Liberals" considered themselves a minority in 1873.5 This had come to pass mainly through the splitting off of most of the goldfields Members after 1872. Stout believed the defection of Horace Bastings, in particular, to be the great undoing of unity among the "Liberal" Members.6

---

1 Southern League, 6 July 1871.
2 ODT, 3 April 1878.
3 See, for instance, Ritchie to W.H. Teschemaker, 11 January 1876, p. 21, Ritchie Papers: "I am no friend of Provincial Councils, but nevertheless feel sure that absolute centralism & administration from Wellington would be a horrible mistake. The amount of political roguery which came out during the last session perpetrated by the present Gov and Bank of N.Z. clique was dreadful and made me quite afraid - I am therefore for local legislatures for the benefit of the rich provinces - for the time yet anyhow, until the time comes when we must all make a common lot. It is selfish no doubt - but we must look after No. 1 & as Canterbury & Otago have everything to lose I don't see why we should not hug our riches as long as we can."
4 ODT, 8 May 1874.
5 Southern Mercury, 6 January 1874, p. 10.
6 Southern Mercury, 6 January 1874, p. 10.
Although professing the same creed of liberalism that the Reidites espoused, Bastings was primarily the servant of his own ambitions. Above all, it was the climate of opinion on the goldfields that enabled him to pursue an independent course in the Council in competition with the original "Liberal" faction. The disastrous big block sales of 1871 and 1872 revived the separatist attitudes that had characterised the earlier political history of the goldfields. Justice could not be obtained from a Government of Old Identity clodocrats with Reid at its head. The interests of the goldfields would have to be defended by its own men and Bastings was therefore to be applauded. This gave him licence to ally himself with whomsoever he pleased.

The latter years of the provincial system revealed the tension between the two main sources of "Liberal" politics in Otago and the persistent divisions between the goldfields community and the rest of the Province. A letter in the Mount Ida Chronicle illustrated how wide the gulf remained in some districts:

I think that the country, and especially the Goldfields, have had quite enough of Reidism... Mining history has got its Eureka Stockade; and anti-chinese riots, and we are told that history repeats itself, whether Mr Reid wishes for such a repetition or not I cannot say... it appears to me that in matters concerning mining or the miners Reidism appears in an intensified form. This Reidism pervades the whole old identity clique, and it also spreads its onesided and baneful influence beyond its original circle... Another observation I have made is, that Mr Reid and his clique are particularly odious in purely mining districts, that this feeling is mollified, where miners and farmers are united, and that in solely agricultural localities they are looked up to, somewhat in the fashion as the Chinese regard their Josh.¹

This source of division among the "Liberals" was compounded by the Party's inability to hold popular support in Dunedin. A lack of interest from urban people in issues of a rural nature partly explains this. Macandrew's peculiar hold over the inchoate working class of the city and the support given to the High Street faction by rising popular leaders like Fish were also important factors. It appears that the working people, Dunedin's artisans and petty proprietors, did not readily identify with the aspirations of small-time rural capitalists, nor did they see a conflict between their interests and those of Dunedin's pastoral and mercantile

¹ Mount Ida Chronicle, 20 August 1875.
community. The temptations of the Vogel schemes - more consumers, public works contracts and employment - obscured these issues in the 1870s.

Other important men were seduced by the offers of place held out by the Vogel Government. Haughton, whose razor-wit had often worsted Vogel in the Council and House of Representatives, was quieted by a senior position in the Civil Service. After 1871, Shepherd soon lost the "Vogel phobia" that he had developed in the Council.¹ Wrote the Echo:

Of course, when the pastoral lessees saw a liberal a little recalcitrant, they at once patted him on the back, and Messrs Cargill, Holmes, Bell, &c., for once saw something in Mr Shepherd to admire. How dearly they would love him, if only he would become a "rat". His praise would be in all their organs.²

In 1876 Vogel was trying to find a billet for his erstwhile foe, who now hovered about the House in the expectation of reward: "I am really well affected to him."³

John Bathgate was another of the "rampant colts that seemed fit to train for war-horses" who was "suddenly rarey-fied or Vogelised into the most docile of job hacks."⁴ After his denunciations of the appalling corruption in public affairs he meekly appeared to the "astonished colonists" as Vogel's Minister of Justice in 1872.⁵ The Echo had foreseen this months earlier. "Thank you for nothing, Mr Bathgate may say: for if one 'rats' should he not get a reward? Virtue is not always its own reward."⁶ The Assembly had the appearance of a "merchant house where votes are sold to the highest bidder... Rumor has it that more than one member for Otago has sold his legislative right for a mess of Vogelian pottage in prospect."⁷

Donald Reid, on whom so much depended in the "Liberal Party", began to ease away from his earlier radicalism as the 1870s wore on. Although convinced that every man should have the franchise because each could be called to his country's defence, he argued that property owners should have an additional vote because of their greater interest in the welfare of the colony.⁸ Reid considered

¹ Echo, 7September 1872.
² Echo, 17 June 1871.
³ Vogel to W.H. Reynolds, 26 February 1876, Outwards Correspondence, p. 95, Vogel Papers. Shepherd's vote kept Vogel in power in 1871. Bruce Herald, 28 November 1871.
⁴ Grey Papers, NZMS 127, Auckland Public Library, correspondent unknown.
⁵ Grey Papers, NZMS 127, Auckland Public Library, correspondent unknown.
⁶ Echo, 9 March 1872.
⁷ Echo, 25 November 1871.
⁸ ODT, 15 July 1873.
Stout's opinions on retaining the land in the hands of the Crown to be utopian and absurd, and he was accused of displaying Tory sympathies for his part in the re-releasing of the Canterbury Runs in 1877.¹ In the Council Reid became irritable and intolerant of dissent. He treated the chamber "as a political abattoir where he could cut and slay with impunity" and his dictatorial nature offended some of his more independent followers.² After the demise of provincialism and the passing of his colonial Land Act, Reid began to lose interest in politics. "I really see little worth fighting for", he confessed to Atkinson in 1878, "you have abolished our provinces, we have been robbed of our land revenue, what more can they do to us?"³ Private interests began to claim his attention. After abolition he took E.B. Cargill, his former political adversary, as a partner in his own farmers' agency business.⁴

The debate over the land question became more abstract as the provincial system drew to an end. No longer could it be portrayed in the black-and-white terms of 1868-71 as a battle between squatters and settlement. Stout's views on the unearned increment articulated a long-standing and instinctive distaste for the capitalist speculator, but his advocacy of the State's leasing of land in preference to selling it was more controversial.⁵ The Bruce Herald promoted the idea of a tax on unimproved lands in 1874, and did so in typically forthright fashion. It claimed that "outside of Dunedin, in all country districts, the feeling is universal that, through city influence and Government influence, the best interests of the province have been sacrificed to capitalists and runholders".⁶ But the Otago Guardian pointed out that a tax of this kind conflicted with the free trade principles that the Herald also purported to uphold.⁷

While there had been widespread acceptance that land fit for agriculture must ultimately be made available for settlement, the issue was more controversial when land was wanted for purely grazing purposes, as was increasingly the case in Central Otago. The problem was illustrated in 1875 when Roxburgh residents agitated for a commonage of 20,000 acres on Cargill and Anderson's Mt Benger.

¹ Southern Mercury, 6 January 1877. Otago Guardian, 16 September 1874.
² Bruce Herald, 25 May 1875. Southern Mercury, 5 June 1874.
³ Reid to Atkinson, 4 June 1878, Atkinson Papers, MS Papers 91, Alexander Turnbull Library.
⁵ Both of these issues received considerable attention in the mid-1870s. See, for example, Southern Mercury, 12 June 1874, p. 5.
⁶ Quoted in Otago Guardian, 5 March 1874.
⁷ Otago Guardian, 5 March 1874.
run. As the Daily Times put it, these people proposed to live "a white Indian sort of life, residing on the flat, and going out now and again to see how their cattle are getting on in the hills."¹ Cargill and Anderson believed they had already surrendered enough land and could see no justification for giving more to men who were only graziers themselves. If property rights were to be cast aside in this way, might the Government be called upon to purchase Donald Reid's farm if it transpired that half a score of families could make a comfortable living from it? "We seem to be drifting into communism", complained the runholders:

The political dealing with the land is already having the effect of driving accumulated capital out of the Province to invest in Canterbury or in the North Island where more peaceful institutions prevail. The end will be that men of moderate capital will have no place in Otago, and the land will be left in the hands of men with no capital, who, after a struggle, will most assuredly be bought out by millionaires and large finance companies.²

The direction of the liberal impulse was less certain in the later provincial period. A significant change in economic conditions further altered the political moods. High wool prices imbued the business world with confidence and allayed the siege mentality of runholders. There was abundant money for land buying and speculation. It was only the limited application of the deferred payments system that prevented squatters from buying large freeholds when hundreds were created on their runs. The flurry of new companies helped heal some of the divisions that had opened up in the political sphere. Donald Reid joined enthusiastically in the promotion of the Colonial Bank and rendered valuable service by canvassing for deposits among the prosperous settlers of the Taieri.³ In short, the sudden return to prosperity made developments in the Provincial Council seem far less threatening to the business community.

The Significance of the "Liberal" Period in the Provincial Council

It was suggested at the beginning of Part Three that the political relationship between the business community and the "Liberal Party" passed through three

¹ ODT, 27 July 1875.
² ODT, 26 July 1875. But see also J.P. Armstrong's reply on 27 July 1875 and the editorial in the Otago Guardian, 9 August 1875.
³ Ritchie to Russell, 17 November 1874, p. 172, Ritchie Papers.
phases. In the first and second phases, the representatives of urban business and the pastoral industry had been unsuccessful in their aims. They had pursued an overt course in politics, firstly in an attempt to delay the declaration of new hundreds and modify the terms on which hundreds could be declared. They then endeavoured to obstruct the passing of a new Land Act. That legislation rendered the hundreds system more dangerous to runholders by introducing the principle of deferred payments and preventing the purchase of large blocks of agricultural land.

Their failure to achieve these aims was symptomatic of an inability to "dominate" Otago politics that had long been apparent. From 1860 through to the abolition of the provincial system, runholders and their allies in the urban business community had never held the whip hand in Otago politics. The aggrandisement of Jones and the northern runholders was blocked in 1861. The 1866 Waste Lands and Goldfields Acts had represented a compromise between runholder security and the progress of settlement, but it required the addition of Driver's dubious covenant system to make that compromise palatable to the pastoral licensees.

Vogel's administration of the land laws afforded some protection from the demands of the settlers. This respite was only temporary. During the crisis occasioned by the fall in wool prices between 1869-71, runholders were unable to halt the opening of land. Their attempts to assert political control over the process of settlement stimulated the most organised opposition they had yet encountered.

The advent of the "Liberal Party" was an expression of radical tendencies in Otago society which made the exercise of power by runholders and capitalists more difficult than in the other pastoral provinces. This radicalism emanated from two distinct sources. One had its mainspring in the agricultural districts of lowland Otago, the other was more specifically Victorian in character and typified the political outlook of the goldfields. In seeking additional political concessions at the end of the decade, the runholding interest catalysed the union of these political traditions in the forum of the Provincial Council.

In the third phase, the High Street faction regained a presence in the Provincial Government, which it maintained from 1873 until abolition. This came about mainly through the disunity of its former opponents. The tension within the "Liberal Party" between the goldfields men and the Reid faction had never been entirely negated. Driver and Macandrew had played upon this, encouraging the rift between Bastings and Reid that kept the goldfields and agricultural Members apart. Other leading figures were detached from the party by Vogel's system of
patronage. In the end, the weakening of the "Liberals" owed more to this sort of political opportunism than the institutionalised power of their opponents.

The general climate of politics had, in any case, materially changed by this time. The prospect of abolition demanded unity among provincialists, irrespective of the side they earlier taken in the Council. Economic confidence in the pastoral industry meant the runholders could consider buying the land declared to be hundreds rather than simply opposing the cancellation of their leases. Owing to the financial embarrassment of the Government, a handful of runholders - "Big" Clarke, Robert Campbell, Cargill & Anderson and James Logan - were given the exceptional privilege of purchasing large blocks on their runs without competition. But by 1873 and 1874 there were certainly others who would welcome the same opportunity. Tolmie and Captain MacKenzie made applications to buy land in this way, and Cargill & Anderson wanted to add to their 20,000 acres of freehold. These requests were declined. In contrast, the runholders of Canterbury had never been restricted in this way.

The legislative achievement of the "Liberals" might seem modest enough. The scope of the deferred payments system was limited to just 50,000 acres in any year, a feature imposed upon Otago by the strength of the runholder lobby in the Legislative Council. But it is noteworthy that the attempt to enact a similar law for Canterbury failed and the measure was never reintroduced. Furthermore, when one considers the range of subjects that the Council was prepared to entertain, it is clear that the "Liberal Party" might have achieved more in the way of experimental reform if it had remained united. A division on the desirability of manhood suffrage, a measure long sought by goldfields representatives, was narrowly defeated in 1873. Stout and J.C. Brown introduced a motion in 1874 that declared it expedient for the State not to alienate land except by lease. This was defeated by only three votes. The question of State leaseholds was of sufficient prominence at this early date to attract considerable interest from the press. Thus the Otago Provincial Council was a trial ground for the political programme of later liberal groupings.

Within liberal circles in Otago, there was a belief that the Province had made a special contribution to "the rise of democracy in New Zealand." The Echo

2 VPOPC, 14 July 1873.
3 ODT, 30 May 1874. Southern Mercury, 5 June 1874.
4 Bruce Herald, 20 April 1875. New Zealand Times, 20 August, 24 September 1875.
5 Echo, 21 December 1872.
fostered this view. Otago had made the most progress towards emulating the political condition of colonies such as Victoria. This was because its land laws - "squatter favouring though they be" - had created a class independent of the runholders and their agents. But the country as a whole languished "under the heel of an oligarchy."2

Part Three began by identifying the economic motives that underlay the political behaviour of the mercantile and pastoral alliance in the Provincial Council. Bearing in mind these motives and the obtrusive manner in which they were pursued, it is difficult to accept some of the recent assessments of this episode. Olssen believes that attempts to prevent the emergence of a squattocracy in New Zealand were made "[w]ithout much discussion".3 It is doubtful that this accurately describes the situation in Otago. Almost throughout the provincial period, the struggle between settlement and "squatterdom" produced the most vigorous expressions of political feeling in Otago. The Province's obsession with this question resulted in repeated amendments to the land law. Unsympathetic outsiders in the House of Representatives dubbed the accompanying controversies "the Annual Otago Free Fight".5 If any issue aroused "discussion" in Otago, it was the land question.

Olssen's gloss on the 1872 Land Act is the comment that "[p]olitical pressure was only part of the story: the runholders showed themselves more than willing to sub-divide their properties."6 This statement should be qualified by reference to the changing position of Otago runholders. Before the Act was passed, runholders were in no sense "willing" to have their runs subdivided; such an attitude would have been economically irrational. In the climate of land speculation that followed, some runholders were agreeable to the cancellation of parts of their leases, but only with a view to the acquisition of freehold on favourable terms - preferably in large blocks and without competition. As Ritchie advised in 1874:

The thing for all squatters to do now is to save money in view of getting a chance of buying big blocks on their runs... At present

---

1 Echo, 21 December 1872.
2 Echo, 21 December 1872.
3 E. Olssen, "Lands of Sheep and Gold", p. 50.
6 E. Olssen, "Lands of Sheep and Gold", p. 41.
the government are dead against selling blocks - but they may be
driven to it.1

The opening of land on deferred payments was a very different matter. It simply
meant that the best part of a run was lost to the leaseholder. Even under ideal
circumstances, no squatter would have wished his run to be "subdivided" on such
terms.

Brooking, Hearn and Kearsley also play down the extent of conflict with their
observation that the differences between the two main factions in the Provincial
Council:

... related to the speed at which land should be made available to
selection and the conditions upon which settlement should be
promoted. The distinction was between "liberal" and cautious
rather than progressive and "conservative."2

This appears to take the protestations of the runholding faction at face value. It is
certainly difficult to find an economic motive for runholders espousing the cause
of settlement during the hard times of the late 1860s and early 1870s.3 Olssen adds
that runholders desired a progressive public works policy because this would
"drive up the value of their land."4 Speculators and freeholders might have
thought along such lines, but not runholders.5 A larger population meant that the
likelihood of leases being cancelled was greater. Increased land values would
create pressure for higher rentals of pastoral land and therefore lower profits for
investors.

The debate so far has been hindered by a misunderstanding of the business
pressures affecting the wool industry, flowing in part from confusions over tenure,
and by the depiction of Council politics as a rational, consensual process from
which runholders were bound to gain in the long run.6 This tendency has

1 Ritchie to Glassford, 27 October 1874, p. 300, Ritchie Papers.
3 Had they been more successful in obstructing settlement they might well have lost the support of sections
of the mercantile community. This outcome is suggested by the evolution of political alliances in some
5 The distinction becomes arbitrary in this period because many sheepfarming operations were based on a
mixture of tenures.
6 It is noticeable that Eldred-Grigg has not specified the tenure on which the estates he analysed were held,
and this seems to have caused the situation in Otago to be misconstrued. For instance, Olssen infers from
concealed the importance of the land question in shaping the experience of the business community.

In Part Two it was seen that the commercial world was changing throughout the 1860s. The group that rose to prominence during the profitable years of the mid-1870s was made up of survivors from the previous decade and some newcomers to Otago. It is unlikely that the perception of these men as a distinct category would have been nearly so strong if a sizeable number of them had not embarked on a political course that brought them into collision with the so-called "radical" elements in Otago society. As a result of their behaviour, the idea of a powerful clique of merchants and squatters became etched onto the popular consciousness. Financial institutions and, most of all, "High Street" or the Dunedin Club, were paraded as symbols of privilege. For a time, they became routine subjects for analysis - and more frequently for abuse - in the radical newspapers of Dunedin and the country journals. Politics, therefore, had generated a powerful image of the business community and its place in society.

To this extent, Eldred-Grigg's depiction of large landowners and merchants as the manipulators of public affairs is not wholly fanciful. That view clearly had some potency in the political life of the province. But the evidence suggests that political rhetoric exaggerated the influence of these men. In comparison with their counterparts in Canterbury, they obtained much less in the way of tangible business advantages from their participation in politics. It is indicative of the levelling attitudes prevailing in Otago that this group, when obliged by economic stress to seek the initiative in politics, was at once recognised and attacked.

Olssen has suggested that the Dunedin "elite" had become fully fledged by the end of the 1860s.¹ We may now be confident that this assertion actually conforms with the contemporary perception of Otago's social development. In the earlier part of the decade, the sources contain vague references to an Upper Ten, or refer only to a few families (the Cargills especially) as representing economic power and social pretension. By the end of the 1860s, there was greater clarity about the nature of this upper stratum of society. Its members were seen to possess certain general characteristics: membership of the Club, overlapping or interdependent business interests and a common front in politics. The idea of an elite had become directly relevant in Otago society.

---

¹ E. Olssen, A History of Otago, p. 70.
This in itself marked a significant change. In Olssen's analysis, various elites at different stages of development had already existed in Otago society. But this was the first such group to attract a high level of public attention. One consequence, as we have just suggested, was that the business community emerged as a separate entity whose objectives seemed for a time to be incompatible with other interest groups in society. This adds another dimension to the business community whose membership and economic functions were discussed in Parts One and Two. As its members advanced into the prosperous years of the mid-1870s, a niche in Otago's social relations was being created for them. Although it appears obvious from the evidence considered here, the connection between this development and the sphere of politics has not been adequately recognised in the existing literature.

It must be allowed that the political environment that had fostered these attitudes was not sustained. Irrelevant in the realm of national politics, the hostile rhetoric directed against the business community was already beginning to fade before the end of provincialism. The radical press in Dunedin was eclipsed and diatribes against the "Upper Ten" became less frequent in the newspapers. The Dunedin Club moved to Fernhill, making redundant the evocative label of "High Street", although the Bruce Herald continued to write intermittently of the "money rings which control and injure Dunedin". Nevertheless, the events surrounding the rise of the "Liberal Party" had established a precedent of antipathy towards big business, and a political symbolism of some durability.

For the individuals comprising our "inner circle" of businessmen, involvement in provincial politics had brought mixed rewards. Some, of course, were Members of the Council for only a short period. Richard Oliver was elected in 1873 and acquired his political fame later, in the national Legislature. John Roberts entered the Council in the same year after failing to win a seat in the 1871 election. The deep suspicion with which the Roberts family viewed the Otago Provincial Council makes it likely that this move was related to concerns about possible damage to their investments.

James Mills became a Member in what was, in effect, the last year of Provincial Government. It cannot be said, however, that he had entirely neglected political affairs in the preceding years. In 1869 there were rumours that interested parties would attempt to stymie the construction of the Port Chalmers Railway

1 Bruce Herald, 10 January 1879.
2 William Handyside to Roberts, 17 October 1871, 625/2, Roberts Papers.
when the matter came before the Council. The Harbour Steam Company, which Mills managed on behalf of the estate of John Jones, was certain to be injured by the opening of this line. Many years later, in a pamphlet damning Mills's administration of the estate, Eliza Isaac revealed that Mills had written to her in 1870 explaining that he intended to offer a bribe "to one of the prominent members of the Provincial Parliament 'who generally makes himself heard when he does speak' and possibly 'to six others who may be bought cheaply if needed'", his object being to secure their opposition to the Port Chalmers Railway Bill.2

David Proudfoot, his rival on that occasion, also took little direct part in politics. This is not to say that he was unable to bring influence to bear in matters affecting his business affairs. A rumpus in 1875 over the proposal to extend the Peninsula and Ocean Beach Railway to the mouth of the harbour makes it clear that he had powerful allies in the Council, including Turnbull and the Superintendent himself. But despite their backing, the enabling legislation was initially blocked in the Council by Henry Fish and others. The circumstances led the ODT to assert that an imputation had been thrown out "that if anyone wants a bill passed he must buy up members. Is this what the Provincial Council has come to? Did the promoters not bid high enough?"3

Ritchie was another who did not seek a seat in the local legislature. Political developments nevertheless received his close attention, both for practical reasons - especially changes in the position of runholding clients - and from his inclination to pry into the conduct of his colleagues in business. His role in local politics, while doubtless significant, was characteristically discreet.

Although Edward Cargill was one of the most enduring figures on the provincial stage, his prominence began to decline in the 1870s.4 He resigned his seat in 1873 to take a trip to Europe and never regained it. In a hotly-fought by-election for one of the city seats in 1874, Cargill found that prejudice against "High Street" still lingered. His opponents accused him of being "a squatter and an

1 Evening Star, 23 August 1869.
3 ODT, 9 June 1875. For a detailed account of this affair, see J.A. Dangerfield, Dunedin's Matchbox Railway, p. 31.
4 When it is recalled, however, that Cargill's partners, Tolmie and McLean, and a former employee, James Ashcroft, all held seats in the Council for varying lengths of time, it is apparent that the influence of Cargills & Co was by no means negligible in the Provincial Council. Tolmie and McLean were both closely linked with another Member of Council, Mathew Holmes.
agent". It was a strange thing, thought Cargill, "in a city like Dunedin, to get up a cry against the wool interest, than which nothing had contributed more materially to putting Dunedin in its present position." The electors disagreed, and voted overwhelmingly for C.S. Reeves, an old Victorian whom the Guardian believed had an unhealthy enthusiasm for state leasing of lands.

Leadership of the business faction in the Council passed to other men. Cargill's business partner, George McLean, had made an immediate impact after his election in 1869 by entering Reid's coalition Ministry and moderating amendments to the Hundreds Regulation Act. He subsequently became one of the most conspicuous members of the runholding lobby. George Turnbull performed a crucial part in the changing Executives of the 1870s through his alliances first with Bastings and Fish, and later with Reid and Stout. The Bruce Herald regretted his continued involvement in the government of the Province because of "his well known association with the High Street clique." It was indeed mainly through Turnbull's diplomacy that "High Street" maintained a voice in the Executive, which, owing to numerical weakness, it might easily have lost.

More than any of these men, Henry Driver emerged as the central figure among the business Members. From the time he entered the Council in 1866, Driver became the acknowledged spokesman of the runholding interest. His hand may be detected at many stages of their political struggle, beginning with the re-issuing of the pastoral leases in 1867 and the controversial Hundreds Regulation Act in 1869. Driver's supposed influence over Macandrew was often remarked upon. Events such as the J.C. Brown defamation trial in 1871 and the commotion over the Treweek letter helped stir up public speculation on the matter. When one considers the Superintendent's enthusiasm for Driver's railway projects and the zeal with which the latter coordinated his campaigns for re-election in 1871 and 1873, it is clear that there was some basis for these suspicions.

After the emergence of the "Liberal Party", Driver worked unremittingly to foster dissension among its adherents. We find him linked to the defection of Charles Haughton in 1871. His association with Fish may be traced to the same year and they clearly collaborated in the election of 1873. He struck his most decisive blow in helping to detach Bastings and his goldfields supporters from the

1 Otago Guardian, 3 March 1874.
2 Otago Guardian, 3 March 1874.
3 Otago Guardian, 5, 7 March 1874.
4 Bruce Herald, 25 May 1875.
5 Remarkably, he never held office in the Provincial Executive.
"Liberals" in 1872. Possibly through this political tie with Driver, Bastings later obtained a position as valuer of the New Zealand Agricultural Company's estates. Driver's link with Fish and Bastings was such that in 1875 he was able to trade his political support for favourable treatment of his runholding clients, or so it was rumoured. The nature of his activities made Driver the object of much unflattering scrutiny by the press. This was aggravated by his feud with the proprietor of the Echo, although the country newspapers also singled him out as the principal leader of the High Street element. Driver's high profile as spokesman of the runholders continued. When an attempt was made to revive the Squatters' Association in 1878, he was the obvious choice for its advocate in Parliament.

An important feature of provincial politics in this period is the manner in which one of the key groupings in Otago business appears to have been strengthened by alliances in the Council. The bond between Vogel and Driver formed one cornerstone of this combination. Vogel's Executives in the late 1860s governed in a way that protected runholders, reinforcing the improvement in their tenure that he had effected with Driver's assistance. By 1869, rumours were abroad that Driver even paid the debts of the needy Provincial Secretary. Firmer evidence of their closeness is available in the shape of Driver's financial support of the Sun (Turnbull also contributing) and Vogel's grant of the woollen mill subsidy to Driver & Maclean. It is likely that Vogel's removal to Auckland was a consequence of his mission to procure Bank of New Zealand finance for a railway venture in which Driver was interested. As subsequent Parts will demonstrate, the commencement of Vogel's relationship with the Bank was a turning point in the careers of both men and a development of some importance in the history of the business community.

After his departure, Vogel continued to be a major influence in local politics. His Government found positions in the Civil Service and Judiciary for three defectors from the "Liberals" - Haughton, Shepherd and Bathgate - and one of his loyal supporters in the Council, D.F. Main. He needed the concurrence of Otago in 1871 to ensure the success of the Public Works and Immigration programme. This dovetailed with Macandrew's ambitions. In throwing himself behind the borrowing scheme, he consolidated the support of the runholding lobby and the urban businessmen whose allegiance he had courted after his election in 1867.

It is no surprise, then, that Macandrew chose William Tolmie to lead the Provincial Government after Reid's dismissal in 1872. But for his well-known friendship with Vogel, Larnach and Driver, Tolmie would otherwise have been an
unlikely choice for the position. By his own admission, Tolmie was reluctant to form an Executive, although he displayed rather less reticence in attempting to make freehold part of his Waipahi run while he still held office. Nor is it surprising that on Tolmie's defeat, Vogel granted an early dissolution of the Council so that Macandrew might exploit the disorganisation of the "Liberals".

Reynolds, too, was very much a part of this circle. In politics he always allied himself with his intimate associates, Vogel and Driver. While his sympathy towards runholders might have surprised Dr Buchanan during the debate of the Waste Lands Bill in 1865, his subsequent actions were characterised by what the Tuapeka Times saw as "a consistent opposition to every measure calculated to benefit the people, and a steady loyalty to the interests of squatterdom."2

Larnach, whom we so frequently find associated with these men, had no direct involvement in provincial politics, although he took two significant actions. The first was his offer of finance from "Big" Clarke to enable the Clutha Railway to be built.3 Had this been accepted, his friend Henry Driver would have stood to gain. His second intervention, the negotiation of the Moa Flat sale, also involved Clarke and had a decisive effect on the course of politics. Apart from these events, Larnach appeared indifferent to political affairs in these years, though his management of the Bank of Otago and National Bank would have barred him from seeking election in any case. Once this impediment had been removed and his political career began in earnest, he took advantage of connections that had already developed around the politics of the Council. His name was linked in Harbour Board affairs with the activities of Macandrew, Turnbull, Fish and Proudfoot and his understanding with Fish seems to have extended to the co-ordination of electioneering tactics.4 In his first attempt to win a seat in Parliament in 1875, Larnach enjoyed the support of the Bank of New Zealand. While this may have been because he was a client of the Bank, it is perhaps more than coincidence that both Driver and Vogel were strongly identified with that institution at the same time.

As a class, runholders and members of the business community were unable to dictate the course of politics during the provincial system: the combination of opposing interest groups, notably the agriculturalist and goldfields factions, was

1 *VPORC* 1873, Appendix, p. 117ff.
2 *Tuapeka Times*, 13 February 1869. Andrew Buchanan Diary, 16 August 1865.
3 *ODT*, 31 May 1870.
4 *ODT*, 1 December 1881. See also Appendix 9, Volume Two.
too strong for that to happen. Nevertheless, by shrewd tactics and influence over certain individuals, it was possible to limit the potential for damage and shape the course of events in more subtle ways. Above all else, there remained the comforting knowledge that provincialism was unlikely to survive, for less hostile treatment could still be relied upon in the national legislature. With varying success, individual capitalists used the political process to advance their public careers or secure an advantage in business affairs. Politics was also an environment in which business alliances might be created or confirmed. Part Four reveals something of the impact on business of the combination that was Vogel, Driver, Larnach, Reynolds, Proudfoot and Turnbull. It is important to bear in mind, however, that these ties also had their expression in the world of politics and were, to some extent, derived from political events.

Political influences on the nature of capitalist investment in sheepfarming did not cease with the abolition of the provincial system. The land question remained a fertile source of controversy, although its significance became progressively limited to the thinly-populated districts of Central Otago. Later issues arising from the competition for land are examined next in order that the relationship between politics and the wool industry may be followed to its conclusion.

**Pastoralism and Politics After Provincialism**

After abolition, the prospects of an early "Liberal" revival seemed remote. Hallenstein feared there would be more class legislation than ever under the new system. "Already the present government is too much of a squatters' government", he wrote in 1876.1 Stout's hopes of recreating a strong Otago faction in the General Assembly were soon dashed. The provincial "Liberal Party" disintegrated further when Reid detached himself from Stout and his followers and took office as Atkinson's Minister of Lands in 1877. Stout was dismayed that his leader should join a government that represented the negation of principles they had fought for in the past. Reid blamed Stout for the collapse of their alliance and, in a series of published letters that passed between them, Stout's wounded feelings could not be disguised.2 A number of the Otago "Liberal Party", including J.C. Brown, George Ireland and J.W. Thomson, joined Stout in supporting the Grey Government. C.A.

---

1 Hallenstein to William Warren (proprieto of the *Lake Wakatip Mail*), 25 September 1876, Hallenstein Papers.
2 *Southern Mercury*, 6 January 1877. p. 10; 20 January 1877, p. 64.
de Latour was a leader of the Young New Zealand party, which purported to take up the standard of liberalism after Grey’s defeat. Young New Zealand made a few attacks on the Government and briefly held the attention of parliamentary columnists. Its existence was prolonged, but its achievements were negligible. The ODT described its Members as "half a dozen veteran parliamentary failures."\footnote{ODT, 6 October 1882. See also ODT, 17 December 1887, 1 June 1888; Morning Herald, 28 November 1879; K. Sinclair’s description of Young New Zealand as a group of colonial-born politicians appears to be inaccurate. K. Sinclair, William Pember Reeves: New Zealand Fabian, Oxford, 1965, p. 81.}

Despite Reid’s alliance with what was considered a conservative Ministry, his Land Bill of 1877 contained some perturbing provisions for runholders. He proposed to introduce the principle of deferred payments for the purchase of pastoral lands. When the leases of runs expired, the runs were to be cut up and offered in blocks with a carrying capacity of 1,000 cattle or 5,000 sheep, thus allowing men with small capital to compete with the existing holders. Watson Shennan feared that large sheep runs might become a thing of the past: "the deferred payments men have got a taste of blood & I am afraid they will worry up the whole country."\footnote{Shennan to Roberts, 30 July 1877, 625/4, Roberts Papers.}

Anticipating the introduction of hostile legislation, runholders and their agents formed a body for their self-protection before the new parliamentary session. It was thought that the best course would be to get Driver into Parliament. Subscriptions to defray his expenses were sought both locally and from absentee owners.\footnote{Ritchie to Russell, 25 May 1877, p. 245, Ritchie Papers. The National Insurance Company paid a subscription to "the Pastoral Association" though some directors dissented from this action. National Insurance Company Board Minutes, 6 November 1877.}

Canterbury and Otago runholders united to oppose the Land Bill and some important concessions were won. Pastoral land could not be opened for sale on deferred payments until a year before the expiry of the existing lease and a certain proportion of the ground had to be suitable for agriculture. The subdivision of runs into small blocks was not to be mandatory; rather, the manner of disposal would be determined by the Governor General on the advice of his responsible ministers.

Squatters looked for kinder treatment when Macandrew took over the lands portfolio, but this complacency turned to consternation when he was succeeded by Stout.\footnote{Ritchie to Russell, 15 October 1877, p. 330, Ritchie Papers.} Using a clause in the new Goldfields Act, Stout evaded the restrictions
placed by the Land Act upon the cancellation of leases, and opened large blocks
for settlement on the runs of Cargill and Anderson, and of Robert McLaren. This
"cruel and disastrous" proceeding drew formal protests from the banks and station
agents. They argued that such misuse of the goldfields legislation must reduce
the value of other leases to the amount of compensation. Were this to happen, a
collapse of the pastoral interest might be expected through the foreclosure of
securities over such property. Writing from England, Ritchie expressed sympathy
for his unfortunate father-in-law: "... it is most dreadful & most unjust. I am very
sorry for McLaren as it must be a great loss to him... I daresay Cargill and
Anderson will be noisy but they had far better keep quiet."3

The popular land agitation also kept up the pressure on runholders. Through
the Southern Mercury, Pyke campaigned for the closer subdivision of the pastoral
land behind Waikouaiti in 1877. The real battle came in 1881. Pyke was charged
with a vision of Central Otago as a populous land of small farmers and
flockowners. If the country were not to remain a desolate sheep walk, the days of
large sheep runs must be ended and a new railway built through the hinterland.
In 1883 leases for 1.5 million acres fell in and the Waste Lands Board was required
to dispose of the rights to this land at the start of 1882.4 The current lessees were
twenty-one individuals and firms, most of them absentee. A mere five lessees
held over half of the area between them.5

Pyke saw himself on the threshold of realising his dream. During 1881 he
went on a stumping tour of the up-country towns, his object being the creation of a
new land league that would destroy the squatters' monopoly. This league, he told
the residents of Clyde, should be as extensive in operation and scale as its Irish
brother. "It should strike terror into the hearts of the squatters."6 Largely owing to
his efforts, branches were set up in Clyde, Alexandra, Ophir, Tinkers,
Bannockburn, Bendigo, Naseby and St Bathans, and meetings of delegates were
held in various goldfields towns. Aware, no doubt, of Pyke's financial position,
the Dunstan Times recommended that members of the league should each
subscribe a crown to fund its activities. "Mr Pyke, or anyone else, cannot live on

1 ODT. 16 October 1878.
2 ODT. 16 October 1878.
3 Ritchie to Roberts, 18 December 1878, 625/8, Roberts Papers.
4 Dunstan Times, 29 April 1881.
5 Dunstan Times, 15 April 1881.
6 Dunstan Times, 15 April 1881.
plaudits." The ODT belittled "Mr Pyke and his plan to exterminate squattocrats", but the progress of the land league unsettled the runholders. "That fellow Pyke is a dangerous fellow", warned John Roberts.

Pyke went to the 1881 session with strong public support for his cause. His good intentions, unfortunately, were thwarted by a tactical blunder. The land question was referred to a select committee, which found defects in the 1877 Act and recommended its amendment before the runs were re-let. In particular, there was no limit to the number of leases any individual could acquire. A single run capable of carrying 5,000 sheep was clearly insufficient, but Pyke thought some restriction should be imposed. There was also no limit to the number of times a runholder could exercise his 320-acre pre-emptive right if he held more than one lease. Careful spotting of pre-emptive applications could therefore lock up a great deal of land. The requirement that lessees pay a year's rent in advance put at a disadvantage small farmers, whose resources would be stretched by stocking and fencing their land. The manifesto of the land league had requested a residence requirement for persons holding more than 2,000 acres, although there was little chance of this being granted.

The Government, led by John Hall, a Canterbury landowner, had no intention of acceding to Pyke's demands, and made plans to auction the leases before the next session. Otago Members, including Driver, registered their protest at this decision. Driver even proposed the motion asking for the sale to be delayed until Parliament could reconsider the matter. He claimed that runholders were tired of the constant antagonism associated with the land question and wished to defuse the animosity that had built up during the provincial system.

At first sight this may have seemed a most unselfish and uncharacteristic position for him to adopt. But those who looked more closely could discern other motives. The New Zealand Agricultural Company could ill-afford to see large areas offered for sale in Otago when it was struggling to dispose of its Southland

---

1 Tuaepa Times, 27 April 1881.
2 ODT, 18 April 1881.
3 Roberts to Robert Turnbull (Linburn), 22 December 1881: p. 457, 625/34, Roberts Papers. Ritchie wrote: "I fear things are very dark looking for runholders - the agitation at Alexandra is bad and Stout being appointed Minister of Lands". Ritchie to Roberts, 21 September 1876, 625/8, Roberts Papers.
4 Tuaepa Times, 7 December 1881.
5 Tuaepa Times, 18 June 1881. The area of pastoral land available for lease fell due for auction in this sequence: 1881-82 (2,957,000 acres), 1883 (593,623 acres), 1884 (1,732,643 acres), 1885 (15,000 acres), 1886 (98,000 acres).
6 ODT, 21 December 1881.
7 Dunstan Times, 23 December 1881.
estate. Land would be offered at an upset price of £1-2 an acre - land that was of similar quality to that which Driver was trying to sell at ten times this amount. The Government's terms for deferred payment were vastly more favourable than the Company's. Driver was himself interested in two runs, costing in rent 2d per acre per annum, which he was in no hurry to compete for at auction. "Mr Henry Driver has the reputation of being one of the most adroit members of the Assembly", wrote a correspondent in the Daily Times:

... and the manner in which he managed the meeting on Tuesday last proves that he deserves that distinction. It is well known that when Mr Driver exhibits much zeal in any public business it may be assumed that his own interests are mixed up in it in some way.¹

The whole question was, in a sense, irrelevant. As the Tuapeka Times pointed out, the 1882 session would be too late to effect the necessary changes to the Act because, under the existing legislation, the Lands Board was bound to auction the leases during the recess. It seems that Pyke did not properly consider this.² Oliver believed that the agitation posed little danger to the Hall Ministry, of which he was a member. He assured the Premier:

It is true that Pyke and a few opposition friends of his are trying their best to make capital out of the sale of the pastoral leases, but I hope you will not alarm yourself about this. You might have expected it, and if they had not got up, or attempted to get up a cry on this subject, they would on some other. They are lying about Rolleston's alleged promises to defer auction, and will lie, but he can easily refute them... It is I confess unfortunate that they have taken up the land cry. But we have a plain duty to perform and we should perform it, conscious of our rectitude. None of us has I am sure a single farthing of interest in the matter, and we must carry out the law and face - if it comes - unmerited blame. We could not arrest the law and injure innocent people in deference to a howl of this kind.³

¹ ODT, 23 December 1881.
² Tuapeka Times, 7 December 1881. Ballance expressed doubts about Pyke's sincerity in promoting the movement. Ballance to Stout, 23 May 1881, Stout Papers, MS Papers 40, Alexander Turnbull Library.
³ Oliver to Hall, 30 December 1881, msy 1102, p. 219, Hall Papers, MS Papers 1784, Alexander Turnbull Library.
Ritchie was confident that the leases would be offered in such a way that the existing holders would have the best chance of acquiring the land. After dining with William Rolleston, the Minister of Lands, he felt his optimism vindicated. One hundred and forty thousand acres were taken for sale out of some runs, but the bulk of the country was offered for lease in 170 lots. As Ritchie predicted, the former occupiers regained nearly all the subdivided runs, though at much higher rentals. Few leases were sold at the upset price and some reached four times the reserve. The Government received an increase of £46,000 to the revenue previously yielded by the land.

This was but small consolation to the up-country press. The result of the sale seemed to the Dunstan Times a verification of Wilson Gray's prophecy about the reversion of Central Otago to a sheep walk. A perpetuation of the existing monopoly could only lead to the "continuance of the past stagnation, misery and discontent" and all hope of a populated hinterland now rested on the Central Otago Railway.

Runholders had so dominated the sale of 1882 that the cry for a limit to multiple ownership of runs became difficult to resist. The new Parliament, the first elected by manhood suffrage, surprisingly agreed to the insertion of the notorious McKenzie clause in the Land Act. This prohibited the acquisition of Crown leasehold land beyond an area capable of carrying 20,000 sheep or 4,000 cattle.

In February 1883, another very big sale of land took place. It was to be the last such auction for some time and the first time pastoral blocks were offered on deferred payment. Much of this land was overrun with rabbits or of indifferent quality. Nineteen leases attracted no bids and the upset price was paid for thirty-two. Some blocks fetched extremely high prices. It was plain to the ODT that the

---

1 Ritchie to W.H. Teschemaker, 29 December 1881, p. 502, Ritchie Papers.
2 ODT, 13 January 1882.
3 ODT, 28 February 1882.
4 ODT, 13 January; 25, 28 February; 1 March 1882.
5 Dunstan Times, 3 March 1882.
6 Dunstan Times, 24 February 1882.
7 The Otago Daily Times doubted that McKenzie was the real author of the clause. ODT, 22 August 1885.
8 Rough Ridge had a reserve of £839 per annum and sold for £2,920; run 325A brought £654 more than the upset price of £386. The average price of the Waikouaiti land was 2s 6d per acre, although most of it was rough, poor country. ODT, 1 March 1887.
previous leaseholders were able to retain their land only at a very severe cost, and the auction system had led men "beyond the limits of sober judgment."  

There had been talk of dummyism on deferred payment land after the first great sale in 1882. After the 1883 auction, the rumours were too persistent to ignore. The Evening Star, Oamaru Mail and ODT were foremost in exposing the means by which land had been acquired contrary to the provisions of the Act. The latter rather pointedly identified the syndicate of Gellibrand Smith and Pogson as one of the worst offenders. A government inquiry subsequently discovered widespread evasion of the law in the Strath Taieri and Silver Peaks districts, and suspected that similar abuses had been perpetrated at Waikouaiti. It recommended the Waste Lands Board sit as a board of inquiry to ascertain the full extent of the evil.  

This investigation caused a sensation in Otago. Smith & Gellibrand and their agents, Cargill & Co, were shown in a very poor light. Cargill was evasive; Smith and George Joachim did not appear on their subpoenas. The Otago Witness likened the terms on which the dummies had been procured in Tasmania to "a species of white slavery". Cargill had bid on behalf of these men apparently without close inquiry into their bona fides and the affair must have contributed to his mounting worries at this time. He refused to answer some of the questions put to him and his reluctance to speak plainly dismayed some of his admirers.

Mr Cargill has always had a fair, un tarnished, and honoured name, and has been always looked upon with the greatest respect and reverence by many of the old settlers. Now there is beginning to pervade the minds of some an uneasy feeling that something is wrong, and that the only way to clear all that away is for those who have been blamed, whether worthy or unworthy in this affair, to declare boldly "the naked truth." "Standing upon one's dignity" will not do now. It is a case of the life or death of a man's moral reputation in the eyes of those who revere and respect him. To a gentleman, an early settler, and a patriot, even the very breath or shade of such suspicions must be intolerable.

---

1 ODT, 1 March 1883.
3 AIHR, I-8, 1883, pp. i, ii.
4 AIHR, I-8, 1883, p. 37. ODT, 12 April 1883.
5 Otago Witness, 17 August 1883.
6 ODT, 12 April 1883.
7 ODT, 28 May 1883.
The Oamaru Mail saw hypocrisy in the involvement of leading men in such sordid transactions:

They were not over particular about any exposure which their action might entail. They were gentlemen, because they possessed houses and lands and seats in the churches. What these "respectabilities" would not cover would be overwhelmingly covered by the high position which they held in those organisations which profess to be the leaven of Christian virtue, whence spring all those precepts and practices which are ennobling to humanity. These patterns of Christian perfection did not fear what the vulgar public might think. What they wished to avoid was a detection which would end in their being brought under the penal clauses of the Act.

James Smith's reputation as a sharp man of business was not improved by his conduct in this matter. As the second largest shareholder, a director and a large creditor of the ODT Company, he brought pressure to bear upon James Ashcroft, who had penned the dummyism editorials, and secured his dismissal. Both men published statements in defence of their actions, but Smith's attempts to show that he sought Ashcroft's removal purely on the grounds of incompetence were not convincing. Alluding to this correspondence, the Echo asked, "Who... will care for the leaders of the Times? It is now plain how they are manufactured. If one appears that does not please some big shareholders, the editor knows what he has to expect."

No prosecutions resulted from the 1883 inquiry in spite of the weight of evidence supporting the allegations. There was a further investigation in 1885 when James Chapman Smith of Greenfield was accused of dummyism in the

1 Quoted in Evening Star, 9 March 1883.
2 At a time when the paper's finances were in a weak state, Smith, through his brother Sir Francis, provided mortgage money amounting to some £5,000 and also held £4,000 of the company's debentures. ODT & Witness Board Minutes, 23 March 1879; June 23 1882; 14 February, 14 March 1884.
3 Evening Star, 3, 7 May 1883.
4 Echo, 12 May 1883. Ashcroft complained that Smith "had so interfered with him as to weaken his hand in the performance of his duties." ODT & Witness Company, Board Minutes, 16 March 1883. His description of the constraints upon his editorial freedom tended to place him in a false position. The Dunedin correspondent of the AIBR observed: "However the public may from time to time suspect that the strings of the puppet are pulled to make it dance as the capitalist behind may choose; it is not often that so naive a confession of being compelled to write is put forward. As a defence, the statements of the late editor are probably unique: 'Messieurs the public' he says, 'I have been under a malign influence and have had to write on such and such occasions, (instances given) to please the spite and malevolence of my directors. I obeyed for three years, and now, because I at last disobeyed, I am dismissed.' It is hard to know whose conduct to reprobate more sternly, the director or the editor." AIBR, 12 June 1883, p. 239.
Waitahuna district. It seemed tolerably clear from the evidence adduced at the inquiry that it was Smith's benevolent treatment of his men that brought him under suspicion. He had provided some with generous facilities to acquire their own holdings and it had been the practice of Smith and his former employees to share their resources at ploughing and harvest times, hence a lack of boundary fences between the farms.1 Doubts about the legitimacy of these transactions lingered on and a second inquiry was held, again with inconclusive results.2

The extent to which the Land Act was evaded was undoubtedly much greater than was ever revealed by official inquiries and the McKenzie clause was treated with no more respect than were the provisions relating to deferred payment. The New Zealand & Australian Land Company was certainly among the culprits in this regard. Ritchie confided to W.S. Davidson: "It will be rather awkward if this Waste Lands Board enquiry goes on, but there is the consolation that we are in good company: Dalgety, Campbell & Son and many others dodge the clause in the same way."3 In another letter he explained how the expenses of certain runs, apparently held by dummies of the Company, were paid through London, recorded in separate books and concealed from the New Zealand accounts, the object of this precaution being that: "if by any chance Brydone was called before the Waste Land Board to give evidence: and could swear that so far as he was concerned the business did not go through the Coy's books at all, it wd render it impossible for the Board to get any information except by referring home - which they might not care to be bothered to do."4 The hated clause was repealed in 1885, although in view of its ineffectiveness this was hardly of great moment.

---

1 ODT. 28 January 1885; 1, 2, 3 February 1885; 4 May 1885.
2 M. Morgan, "Greenfield: The Estate, Its Purchase, Subdivision and Closer Settlement", B.A. (Hons.) long essay, University of Otago, pp. 17-23. Ritchie became personally embroiled in the dummyism controversy at a later date. He openly admitted his guilt to Davidson and others: "I think the dummyism business will blow over but will not put through the transfers for a bit. The law can't touch us, but 'public opinion' certainly might of course and most awkwardly". Ritchie to W.S. Davidson, 4 August 1890, p. 431, Ritchie Papers. To H.B. Black he wrote: "I have had frightful worry here over the Scott dummying and the miserable thing is, it was all for nothing almost, and mainly out of pugnacity in fighting a man who was trying to 'best' us. But it was 'nuts' for the politicians and the present government are riding it to death and the papers putting on a high moral tone." Ritchie to H.B. Black, 13 April 1892, p. 368, Ritchie Papers. See also Ritchie to Davidson, 16 July 1890, and Ritchie to General Manager, 19 April 1892, p. 369, Ritchie Papers.
3 Ritchie to W.S. Davidson, 31 October 1883, p. 15, Ritchie Papers. McKenzie was aware of Campbell's breaches of the Act and requested the Lands Board to investigate the leases of the former Benmore run. This was possibly in retaliation for the embarrassment Alexander Campbell Begg had caused him over the emolument he drew as a member of the Education Board. The Lands Board, however, was reluctant to act and doubted that the McKenzie clause applied in the case of a University endowment. ODT. 28 May, 8 June 1885.
4 Ritchie to W.S. Davidson, 10 March 1884, p. 119, Ritchie Papers.
The political climate continued to be unfavourable for large landowners. Even freeholders were becoming nervous. Land nationalisation was becoming a popular issue. In 1883 an association was formed with the object of retaining and increasing the land held by the State. Stout, Bracken, Rutherford Waddell and M.W. Green were among the founding members. In spite of weak land prices, Ritchie advised the New Zealand & Australian Land Company to make regular sales to settlers in order to keep at bay "radical legislators (who comprise our [Stout-Vogel] Govt & the bulk of parliament)." He told Davidson:

I have a strong feeling that this Land Nationalisation craze can have no practical outcome but the one of a progressive Land Tax. The more it is ventilated the more is the impossibility of Nationalisation demonstrated: but at the same time the stronger will be the feeling that land shd contribute specially to taxation. This I fear. & I have read & studied the subject closely.

From the beginnings of the industry, political factors limited the profitability of runholding in Otago. Without a substantial capital to begin with, sheepfarming was no sure path to wealth, as the numerous failures during this period bear witness. The attractiveness of large profits was often tempered by the uncertainties of the hundreds system. Runholders had only a small pre-emptive right and little control over when they would be called upon to compete for their land with other buyers. Wealthy firms and individuals usually made the transition from leasehold to freehold without great difficulty, but those who borrowed heavily to buy land were in a weak position after 1878. For men whose credit did not allow investment in large freeholds, the loss of land to hundreds was ruinous. The introduction of auction sales of leases exposed the Central Otago squatters, some of whom had hitherto escaped the worst pressures of settlement, to a different threat. The big sales of the early 1880s were in many ways a hollow victory for the runholding interest. In a few years, pastoralism had become so depressed that the high rentals left no room for profit.

By the middle of the decade, the radical threat had taken on a new aspect. In the older, settled districts, sympathies still lay strongly with the right of aspiring farmers to buy land at an affordable price. But here, the issue of closer settlement

1 ODT. 20 April 1883.
2 Ritchie to W.S. Davidson, 29 February 1884, p. 108, Ritchie Papers. (Notes on Mr Davidson's letter of 3 September/83 to his board.)
3 Ritchie to W.S. Davidson, 5 December 1883, p. 32, Ritchie Papers.
Part Three, Chapter Two

had often lost the immediate and local character that had helped give birth to the "Liberal Party". The simple solution of opening Crown land was in many instances no longer available. Instead, the land question had become a matter of abstract political principle. More sophisticated remedies were involved, often touching the rights of private property, and the wisdom of these was not always so easily understood.

The situation was different again in Central Otago. Although large areas of Crown land remained, the short career of the Land League highlighted the obstacles to mounting and sustaining a challenge to the runholder monopoly. Political organisation was difficult among the small and scattered up-country towns and the goldfields lobby (even less influential in the Assembly than it had been under provincialism).

In 1888 an old Victorian left Otago on a visit to Melbourne and was struck by the changed nature of politics in his former home. "I thought of Ireland, of Aspinall, of Higginbotham, of Gavan Duffy, of O'Shaughnessy and of T.H. Fellows, and it seemed to me that those men have no representatives now."¹ Land speculators and syndicate men were well represented among the Members of the Legislature: "It is odd, too, that they should find so congenial a soil in democratic Victoria."² Had this visitor made a comparison with Otago, he might have concluded that the "Victorian democrats" were in decline there as well. By that date there was no Brodie or Bradshaw or Shepherd. J.C. Brown was again on the brink of bankruptcy.³ Bastings, once the disciple of Wilson Gray, rubbed shoulders with the land monopolists of the New Zealand Agricultural Company and left the colony in 1885. More than any man, it was Pyke who kept alive the radical traditions of Victoria, but even he was forced into political compromises and his association with the Bank of New Zealand in 1879 was not to his credit.

¹ ODT, 25 December 1888. See also ODT, 22 December 1888 (supplement).
² ODT, 25 December 1888.
CONCLUSION TO PART THREE

It was observed in Part Two that the sudden prominence of the business community in the late 1860s and early 1870s could not be satisfactorily explained by reference to the social and economic position then occupied by its members. In Part Three, it was revealed that the need to defend the pastoral industry meant that the business community was identified and attacked as a distinct interest group within Otago society. The politics of land settlement had serious ramifications for the pastoral industry both during and after the provincial era. Defenders of the pastoral interest met with only limited success in the Provincial Council and it is difficult to accept the view that the Council was dominated by an alliance of runholders and businessmen. Certain members of the "inner circle" played a major part in these events. This underlined their role as leaders of the business community and illustrates the relevance of politics to the capitalists of Otago.
PART FOUR

MAJOR CORPORATE DEVELOPMENTS

INTRODUCTION TO PART FOUR

There occurred in the 1870s a number of important business developments. The significance of these events is twofold. In the first place, they disclose much about the interaction of the "inner circle" with other major business groupings, especially the "limited circle" of Stone's Auckland business community and its offshoots. These loci of business power in New Zealand intersected through several related phenomena: the competition of the Bank of New Zealand with Dunedin financial interests, the intrusion of the NZLMACo into the local stock and station business, and the emergence of the New Zealand Shipping Company as a threat to existing arrangements in the trade between Otago and Britain.

The second theme running through this episode is the increasing tension between certain small cliques within Dunedin's "inner circle". We saw signs of these divisions in the early histories of the Colonial and National Banks in Part One. Some of the developing alliances were also reflected in the political events discussed in Part Three. The mixed response of the business community to the expansion of outside interests into the Province resulted in this cleavage becoming more pronounced. For some individuals, these changes offered new career opportunities or the means of escaping an awkward financial position. But an influential group of business leaders saw them as a sinister development, which threatened their own security and signified a more general malignancy in the commerce of the colony. This theme leads in turn to an examination of the New Zealand Agricultural Company, whose troubled history further reveals the polarisation within the "inner circle". The fate of this concern also exemplifies the ailing condition of the pastoral sector and the collapse of the speculative land boom. By that stage, those factors were undermining the prosperity of the business community as a whole. In the depression of the 1880s, the rivalries of the preceding decade became less important in the face of a common struggle for economic survival. (There is a broad division in the structure of Part Four between Chapters One to Four, which concern the Bank of New Zealand, and Chapter Five, which discusses the Agricultural Company.)
CHAPTER ONE - THE NATIONAL BUSINESS ENVIRONMENT AND THE BNZ

By the time Otago emerged from the depression of 1865-71, the barriers of provincial isolation were beginning to crumble. Dunedin's capitalists now moved in a wider business environment and felt the bite of external competition. Perhaps the strongest influence on their perception of this new order was the rise of several institutions that were generally associated in the public mind with Auckland's "limited circle" and the Bank of New Zealand. In some cases there were direct financial links between those corporations through the provision of loan and share capital, but such links tended to be the consequence of the interlocking of their directorates, which was the original unifying ingredient.

The astonishing growth of the BNZ was one of the crucial developments in New Zealand business during the nineteenth century. After some early difficulties, the Bank soon assumed an appearance of stability that belied its youthfulness. By the 1870s it dominated the bank returns, accounting for over half the advances and discounts transacted in the colony. Its dividends of 10% and bonuses of 5% were paid year after year, even during periods of financial panic, as regularly as a government annuity.

The affairs of the Bank were controlled by a small group of Auckland men, which included some of the most powerful figures in New Zealand business: Thomas Russell, David Murdoch, Falconer Larkworthy, Frederick Whitaker, Dr Pollen, James Williamson and John Logan Campbell. The manner in which these men involved the Bank in the management of the New Zealand Insurance Co and the NZLMACo has been well documented by Stone. For most of the first two decades of the Bank's history, the corporate veil separating the BNZ from the Loan Company was thin indeed. Through other BNZ men, especially John Lewis Coster, the Bank and the Loan Company became drawn into another large

1 Its early years, however, were not entirely free from crisis. Early in 1864, the BNZ was believed by other banks to be under extreme pressure through having burdened itself with large and slow-moving advances. Samuel Revans understood it to have lost £49,000 in six months, chiefly in Otago and Southland, and considered that its lending to the Provincial Governments was out of proportion to its capital. Revans to S. Revans, 23 November 1864, Revans Papers.

2 Timaru Herald, 7 May 1879.

3 R.C.J. Stone, Makers of Fortune, Ch. 10.
undertaking, the New Zealand Shipping Company. Although it was founded in Christchurch, Otago’s rival as the colony’s main entrepôt, the Shipping Company was regarded as part of the BNZ stable.

The initial success of the BNZ resulted from a combination of factors. As the first bank to identify itself with New Zealand, it appealed to local loyalties. It was also fortunate in starting its operations on the eve of the gold discoveries. Its management was vigorous and adventurous, and early displayed the ruthlessness for which the Bank later became infamous. Complaints about the behaviour of the BNZ are common in the surviving correspondence of its rivals. A warning circulated by the Inspector of the Union Bank was typical of the strength of feeling called forth by the BNZ’s activities:

The BNZ obtained control of the government account from the Union in 1862, although its hold upon this prize was at first insecure. When the Weld Ministry took office late in 1864, the poor state of the Government’s finances almost required it to suspend payment. Atkinson wrote in an outraged tone:

The Bank of New Zealand under Auckland influence tried it on with us most shamefully so we threw them over and went to the Union B. of A. who have behaved well in the matter. In two days the N.Z. Bank came back to us willing and anxious to come to terms.²

It is sufficiently clear that the financial strength of the BNZ owed much to the Bank’s involvement in politics. This aspect of its behaviour certainly aggravated the hostility of Dunedin businessmen. To informed observers of the time, the political power of the Bank was notorious. The Christchurch Press, for instance, wrote of Thomas Russell’s influence as “the iron hand that rules [New Zealand’s]

---

² H.A. Atkinson to A.S. Atkinson, 30 December 1864, G.H. Scholefield (ed.), The Richmond Atkinson Papers, Vol. 2, p. 135. This is an interesting comment in the light of later accusations made about Atkinson’s association with the Bank.
Prime Minister, her Government and her Legislature". By the late 1860s, "the power behind the throne" had become a byword for the BNZ.2

Several controversial episodes in national politics became classic illustrations of the Bank's ability to interfere decisively in the deliberations of Parliament. The consolidation of provincial loans and the Piako Swamp scandal are perhaps best known.3 Sir George Grey even asserted that the abolition of the provinces was also contrived to suit the BNZ.4 On the face of it, this might seem absurd. Abolition had long been predicted, and for reasons that could have had little to do with the Bank. It is nevertheless true that Russell helped to secure the numbers necessary to pass the reform through the House: the Bank stood to gain immediately from the centralisation of public finance and from the acquisition of Provincial Government accounts held by other Banks.5 One collateral benefit was the destruction of the Provincial Councils of Otago and Canterbury, whose land policies tended to conflict with the interests of the Bank by threatening many of its larger clients. In this respect, it is worth remembering that the Bank and the Loan Company petitioned against Donald Reid's Land Act in 1877.6

An incident in which Otago business interests were more directly involved was the BNZ's opposition to the National Bank Bill in 1873. This occurred at a time when it was still hoped that the National would closely identify itself with Otago. The attitude of the BNZ directorate, as expressed to a meeting of shareholders, was that there was no room in New Zealand banking for another "foreign" competitor.7 It was freely rumoured that the BNZ intended to mount some bid to obstruct the National in obtaining its charter. Even delaying its incorporation until the following session would be a setback worth inflicting on the BNZ's new rival.8 Sir

---

1 The Press, 10 July 1875. This editorial was probably written by E.C.J. Stevens MHR. See Coster to Larkworthy, 31 July 1875, Larkworthy Papers.
2 Stewart, the Bank of New Zealand's manager in Melbourne, wrote in 1875: "Mr Russell's name is linked afresh with the ancient fiction of 'a Power behind the Throne' which Featherston insinuated in one of his solemn utterances when the loans were consolidated some years ago." Stewart to Larkworthy, 9 August 1875, Larkworthy Papers.
3 See Appendix 40, Volume Two.
4 Murdoch to Larkworthy, 2 August 1875, Larkworthy Papers.
6 Parliamentary Debates, 18 August 1880, p. 437.
7 A.B. Baxter, Banking in Australasia, p. 93.
8 Arrow Observer, 22 August 1873. Had it been successful, the BNZ's opposition would have delayed the start of the National Bank for a year and possibly damaged its connections with Bank of Otago clients.
John Cracroft Wilson presented a BNZ petition against the National Bank Bill, but this was ruled to be irregular by the Speaker and was not received.1 The BNZ’s main opposition came at the Select Committee stage, when John Lewis Coster attacked the title of the National on the specious ground that the BNZ was already looked upon as the "national bank" of New Zealand.2 For some time before this, BNZ officers had been trying to drum up support for their cause.

Burnes had the support of the Otago representatives, and the National eventually found enough followers to carry the day. The Premier, Stafford remained obstructive, but when Atkinson and A.J. Richmond failed to join him, Coster abandoned the BNZ’s opposition.5 "Thank you for nothing", George Webster reputedly told Coster, "after you know you are well beaten."6 W.S. Grahame, a director of the new bank and former director of the NZLMA Co, was delighted with the outcome:

The opposition... was bitter in the extreme - and some of our enemies were not particular as to what they said and did... It did them no good and they failed. It was the first cheque [sic] the clique had met with? 

1 Otago Guardian, 30 July 1873.
2 ODT, 31 July 1873. The objection was extremely flimsy as some of the Australian Banks already had similar names.
3 Referring to the deliberations of the Select Committee, W.S. Grahame commented: "We had not to thank Stafford much - had we depended on him we would have suffered." Grahame to McLean, 8 December 1873, Folder 298, MS 32, McLean Papers, Alexander Turnbull Library.
4 Adam Burnes to London Board of Directors, 30 August 1873, National Bank Archives.
5 W.S. Grahame to McLean, 6 April 1874, Folder 298, McLean Papers.
The passing of the National Bank Bill represented a rare defeat for the BNZ in a matter affecting its interests. The impudence of the Bank in trying to exclude competition on such a flimsy pretext injured its public name. George Gray Russell believed it was "the best thing that could have happened for the National as it brought many friends to it and disgusted even the friends of the Bank of New Zealand." Grahame apprehended that those connected with the BNZ "are by no means favourites in the south of New Zealand." This much was confirmed by the ODT, which witheringly observed:

We do not know what MR Coster's next application on behalf of his employees will be, but if he is to be turned into a sort of maid of all work by the Auckland magnates, they may as well make him useful at once by sending him into Parliament as the member for the Bank of New Zealand.

To this should be added the commentary of an Auckland evening paper:

The Bank's guiding hand could be perceived even at the level of local politics, although this was more noticeable in Canterbury, where the BNZ and NZLMA Co had a stronger hold on the business community. In 1871 the Canterbury Provincial Council was involved in a dispute with the Bank over the commission to be paid on the sale of Provincial Government bonds. Objection was made to the Council's considering the matter in committee because certain members, "for various

1 G.G. Russell to James Morton, 30 August 1873, p. 232, Ritchie Papers. Russell ventured to predict: "... the Bank of New Zealand will find it must give way soon and make room for others, the New Zealand has carried things with a high hand here and had too much political and other influence but fortunately for the community this is weakened and not likely to be got back again."
2 Grahame to McLean, 8 December 1873, Folder 298, MS 32, McLean Papers.
3 ODT, 31 July 1873.
reasons", were under the influence of the BNZ.\(^1\) The imputation was, of course, hotly denied.\(^2\)

There were some extraordinary revelations during an election for the South Rakaia Road Board in 1877. For reasons that do not emerge, the Government made known to Road Board members its desire that the BNZ should control all Road Board accounts. A rift developed when J.L. Coster's brother proposed that the South Rakaia Board should transfer its business from the Bank of Australasia. J.C. Wason, the chairman, felt that it was "simply an outrage upon decency" for the suggestion to emanate from that source.\(^4\) He and Edward Coster resigned to test the opinion of the electors. In the course of his campaign Wason revealed that, when he had earlier stood for the General Assembly, the BNZ had offered to withdraw an opposition candidate upon the condition that Wason use his influence to have the Road Board account removed to the Bank. He refused the offer, the Bank's candidate was not withdrawn, and Wason won only by dint of the most strenuous exertions. Wason spoke of this as no singular instance, but as what he believed to be a familiar occurrence.\(^5\) In the event, it was Edward Coster who triumphed at the poll. Wason bungled his campaign, to the regret of the Christchurch Press:

> The Bank of New Zealand weighs quite heavily enough upon the shoulders of the people of this colony to make us welcome every opportunity of rejecting its yoke. Even in the intrinsically insignificant matter of a little road board account, it appears to be worth while for the Bank to get possession of it... As it is, from the

---

1 Timaru Herald, 26 July 1871.  
2 Timaru Herald, 26 July 1871. William Rolleston’s hatred of the Bank seems to have stemmed from this incident, which is more fully described in W.J. Gardner (ed.), A History of Canterbury, Vol. 2, pp. 270-271.  
3 Inspector to London Board of Directors, 12 September 1879, National Bank Archives.  
4 Christchurch Press, 23 June 1877.  
5 Christchurch Press, 23 June 1877.
extreme judgedness of his [Wason's] proceedings, the Bank of New Zealand has gained another victory.1

Certain press organs were thought to be amenable to the Bank's influence. The New Zealand Herald was sometimes referred to as "The Bank of New Zealand Herald."2 John Murray had a share in the New Zealand Times, the proprietors of which were mainly politicians known to be sympathetic to the Bank.3 Apparently referring to this paper, George McLean wrote in 1893: "I would have thought the BNZ had quite enough of newspaper business without entering on a fresh career of such precarious investments".4 The Lyttelton Times and the Daily Southern Cross might also have had leanings towards the BNZ for part of their histories.5

The Bank could provide personal rewards for friends who had proved useful or were likely to prove so. Some people believed that the decorations conferred upon Vogel, Larnach and Edward Richardson had been procured by the Bank through Sir James Fergusson.6 The Echo thought it too much of a coincidence when Sir Penrose Julyan was made responsible for inscribing the government loans shortly after his appointment to the London board of the BNZ in 1883: "There is too much Bank of New Zealand altogether in the ministry and the politics of the Colony."7

If the Bank did exert such control in the General Assembly, it is a question how it managed to do so. And the complexity of colonial politics before 1890 makes this question difficult to answer. BNZ supporters could be found on both sides of the House and might be political adversaries in the general run of events, as was the case with Vogel and Stafford. There was nothing to prevent a man like

1 Christchurch Press, 28 June 1877.
3 Vogel was a director in 1874. A. Saunders, History of New Zealand 1642-1893, Christchurch, 1896, Vol. 2, p. 328. See also G. Scholefield (ed.), The Richmond Atkinson Papers, Vol. 2, p. 604: "Mr Murray persuaded Uncle Harry, though very unwillingly, to become a part owner of the New Zealand Times as Mr Murray was most anxious it should be run as a government paper. It did not pay and had to be sold, probably at a loss, but what the loss was or whether Mr Murray undertook any of it for the Bank she does not know."
5 William Reeves, part-owner of the Lyttelton Times, was a director of the New Zealand Shipping Company and obtained finance from the BNZ. K. Sinclair, William Pember Reeves, p. 52. Coster had doubts about Reeves's loyalty to the Bank. Coster to Larkworthy, 5 June 1875, Larkworthy Papers. NZLMA Minutes, 4 November 1870. The Loan Company and BNZ supplied a substantial amount of finance to the Southern Cross. G.B. Owen was the Loan Company's representative on the board of this paper. NZLMA Minutes, 23 May 1876.
6 Stevens to Stafford, 28 December 1879, Stafford Papers.
7 Echo, 24 April 1880. Hall wrote to Vogel: "Julyan's having joined the Bank of New Zealand will not smooth matters in the House, where that Institution has many enemies." Hall to Vogel, 23 April 1880, p. 187, Hall Papers, MS Papers 1784, Alexander Turnbull Library.
George McLean, who was thoroughly identified with the Colonial Bank, joining in 1876 an Executive that decidedly favoured the BNZ. Shareholders in the BNZ, the Loan Company and the New Zealand Insurance Company are an obvious source of influence - "the dividend interest", as Thomas Russell once referred to them. To these might be added certain parties interested in the New Zealand Shipping Company. Hanham counted twenty-two BNZ shareholders in the House from 1861 to 1865, thirteen between 1866 and 70 and only nine between 1871 and 1879. This was hardly sufficient to give the Bank the kind of influence so often claimed for it. In any case, the holding of shares in the Bank did not entail slavish obedience to its dictates.

It seems instead that the BNZ exerted control through its hold on leading politicians, although there is little evidence of a general policy of over-advancing to them. Edward Stafford was known to be well disposed towards the Bank. Edward Richardson probably had little choice in the matter, being almost insolvent and loaded with debts to the Loan Company. Colonel Brett, George Lee, Colonel Whitmore, H.R. Russell and Sir John Cracroft Wilson also had heavy obligations. Had more records of the BNZ survived, these would probably have revealed others who were similarly placed. The number of such obligants, does not, however, seem out of proportion to the scale of the BNZ and Loan Company's lending and the number of large landowners in the Legislature.

In his History of New Zealand, Alfred Saundersexpressed a strong conviction that Major Atkinson and Edwin Mitchelson were tools of the BNZ. Atkinson's relationship with the Bank was the subject of two famous attacks in the House: the first by Dargaville in 1883, the second by Hutchison in 1890. The Bank's influence over Atkinson was alleged to flow from his heavy indebtedness.

1 T. Russell to Larkworthy, 25 September 1874, Larkworthy Papers.
3 The representatives of the Bank were well aware of their weakness. In 1874, Murdoch wrote to Larkworthy: "I do not think Russell's fears as to Vogel's intentions are well founded. Vogel, I fancy, is true to us except so far as he may be influenced by political pressure and I do not think at present there is any fear of this being exerted further than to effect a division of the account. While we are getting weaker in the House our adversaries gather strength and unless we get Russell and one or two others to take a part in politics for our support a division I feel persuaded will be brought about." Murdoch to Larkworthy, 25 September 1874, Larkworthy Papers.
4 See Appendix 41, Volume Two.
5 See Appendix 41, Volume Two.
6 See Appendix 41, Volume Two.
7 A. Saunders, History of New Zealand 1642-1893, Vol. 2, pp. 511, 516. Dargaville was a former manager of the Union Bank.
He emerged badly on both occasions. Hutchison’s accusations were particularly damaging.

The debate occasioned by Hutchison’s charges gave Saunders an opportunity to explain his private relations with the BNZ. Saunders was usually regarded as a Government supporter, but he nevertheless believed that three members of the Ministry were "in the hands of the Bank". He recounted a vivid story, which, if true, shows the brazenness of the Bank’s intrigues:

It is about eleven years ago that I thought myself a wealthy, affluent man one day, and the next day I had not a farthing left in the world. Unfortunately one of my sons was in some degree connected with the Bank, and in some degree under its thumb. I think it was on some occasion in this House when a question came before it in connection with the purchase of some of our district railways; Mr Driver was in the House at the time, who was supposed to represent the Bank of New Zealand. He came to me knowing my circumstances, how deep my sympathies were for my son, and how much that son was just then at the mercy of the Bank, and told me that the Bank wished me to vote in a certain direction. I said to him that if I had to vote in the direction the Bank wished, I would resign my seat tomorrow, as I would never betray a constituency by pretending to represent it when I only represented the Bank of New Zealand. The next day I saw about twenty notes come into this chamber. One was handed to me, and the rest were handed round the House. I opened mine, and found it was a message to the same effect, that the Bank wished me to vote in a certain direction, and I never felt so much humiliated... This shows in the most practical manner that the Bank is not above using its influence. If it was worth their while to stoop so low for my insignificant vote, is it likely that they would bring no influence to bear on ministers, who could put hundreds of thousands of our money in their hands? How unlikely then is it

1. A. Saunders, History of New Zealand, pp. 494-496, 513-516.

2. Northern Advocate, 16 August 1890.
that a government, the majority of whom seem to have been under some obligation to the Bank, would act on the part of this country in the same independent manner they should have done?... I believe that three members of the government are, or have been in the hands of the Bank.1

The BNZ had another reliable friend in Frederick Whitaker, Attorney General and briefly Premier during the late 1870s and early 1880s. In 1883 Whitaker survived a motion by Sir George Grey to have the Premier barred from receiving remuneration from or being a director or manager of any bank or company. Whitaker was at the time a director of the Bank and also its solicitor. In the course of debate Grey stated:

I conscientiously believe that two or three great moneyed establishments, all really under one directorate, do exercise in the legislature of this country an undoubted and dangerous influence. I sincerely believe that the existing government is maintained in its place by the influence of these bodies.2

The suspected relationship between Julius Vogel and the Bank of New Zealand aroused great controversy during the 1870s. Vogel's contact with the men behind the BNZ began early in his political career. In 1866 he was involved in a speculation with Frederick Whitaker and others.3 The next year, as a member of the Select Committee on the Consolidated Provincial Loans Bill, he voted for the amendments advocated by Thomas Russell.4

The opportunity for Vogel to settle in Auckland and there establish himself in business and politics was probably created by members of the "limited circle". Vogel moved north in 1869 under an arrangement with Brown & Campbell, which, as he later lamented, might have made him a rich man had he not been diverted back into politics.5 At first, he was employed as editor of the Southern Cross by James Mackelvie, a director of the BNZ. The BNZ gave him an advance to buy the paper, but the Daily Southern Cross performed badly and it appears that only Vogel's status as Colonial Treasurer prevented the Bank from recalling the loan.6

1 Northern Advocate, 16 August 1890. (Emphasis supplied.)
2 Parliamentary Debates, 13 August 1883, p. 537.
5 Vogel to William Fox, 30 May 1877, Outwards Correspondence, Vol. 3, p. 151, Vogel Papers.
6 R. Dalziel, Julius Vogel, p. 100.
The personal bond between Vogel and the Bank of New Zealand men, especially Russell and Murdoch, was clearly strengthening. Russell managed some of Vogel's investments and their names were linked in a bid to buy timber leases in the Waikato in 1873. That year marked an important phase in the development of the relationship. In April, Vogel helped to arrange the sale of the Port Chalmers Railway, in which the Loan Company had a direct interest, and was involved in the sale of the Piako Swamp to a syndicate made up of Russell, Whitaker, the Loan Company and possibly one other. A month later, the Loan Company reciprocated by providing financial backing to Vogel's Southern Cross newspaper venture.

Daniel Pollen's correspondence suggests that Vogel had quickly become reliant on wealthy patrons. He assured Stafford that Vogel would return from abroad in time for the parliamentary session of 1871:

He will turn up some time or other no doubt. He made a lucky spec on Caledonians before he went away having bought fourteen of them I hear for £10 each. They were left with his Uncle at the sign of the three balls with authority to sell when the value reached £300 to pay for a little bill for that amount which had matured, and become rather stale indeed, before he left. Some friends however and he has many who have a personal kindness for him, I amongst them myself - paid the bill and kept the shares for him. The result is that he will find a nice little nest egg of dividends at his credit besides the value of his shares. That would "fetch" him in any case I calculate.

It may have been convenient for Vogel to have his bills paid by friends, but arrangements of this kind must have compromised his independence in matters such as the Piako Swamp sale. Pollen, as agent for the General Government in Auckland, was to join Thomas Russell in initiating the sale.

Letters preserved among Larkworthy's private papers bespeak a knowing familiarity with Vogel's behaviour and affairs on the part of those connected with the BNZ. W.C. Roberts smugly wrote in 1875: "George McLean wanted the

---

2 NZLMA Co Minutes, 18 April 1873.
3 NZLMA Co Minutes, 30 April, 9 May 1873.
4 Pollen to Stafford, 20 July 1871, Stafford Papers.
5 R. Dalziel, Julius Vogel, p. 205.
6 For example, Murdoch to Larkworthy, 9 February 1874, Larkworthy Papers.
National and Colonial to tender for the government account (this confidential) but I think Murdoch and Vogel know each other well enough."¹ Vogel appears in this correspondence as one who had to be cajoled and pandered to on occasion, but who could ultimately be relied upon to stand by the Bank. His intimacy with BNZ men was well known and openly criticised; it was a common assertion that he was manipulated by Thomas Russell. Before the Piako Swamp affair broke, Ritchie heard from some of the Otago Members "that there are the queerest reports about Vogel and the B[ank] of N.Z. They say that the latter keeps him going with the needful - & that Tom Russell can do anything he likes with him."² A speech by Mathew Holmes was typical of the chorus of complaint that began to swell after 1874:

They never saw the Hon. Sir Julius Vogel making an excursion Home, but they also saw, under some pretext, another gentleman going there, before or after, for the purpose of shepherding him; and that gentleman always made it a point to remain in London at least as long as Sir Julius Vogel. And he had no doubt whatever that when Sir Julius Vogel returned to the colony, it would be found that Mr Russell's mission in England had been fulfilled, and that he would find it convenient to return to the colony.³

The Timaru Herald could be relied upon to state the case against Vogel and Russell in the strongest fashion:

The influence of the Bank of New Zealand and its kindred money lending institutions, has probably had more effect on this colony's politics during the last four or five years than will ever be fully known; but even the few transactions which have come to light, are enough to indicate a most unholy alliance between the late Premier and the Bank, a readiness on his part to yield the interests of the public to those of a private company, and a determination on the part of the Bank to take every advantage of his necessities or weakness... This connection between the late Premier and the Bank is no new thing, which has only recently been suspected. It has existed ever since Sir Julius Vogel acquired a seat in the Ministry, and was almost certainly one of the principal means employed by that unscrupulous man, for keeping a majority in the House of Representatives. Even in the Upper House, which,

¹ Roberts to Larkworthy, 15 March 1876, Larkworthy Papers.
² Ritchie to Russell, 17 September 1874, P' 138, Ritchie Papers.
³ Parliamentary Debates, 19 October 1875, p. 552.
in spite of all that has been said against it, is far purer than the lower, this influence has often been apparent, and many a vote which seemed at first sight inexplicable, was explained immediately, by a reference to the directory and share-list of the Bank of New Zealand.1

There was a good deal of conjecture as to the reasons for Vogel's consistent loyalty to the Bank. John Bridges of the National believed he knew the answer. He told Ritchie that Vogel was kept afloat financially by Bank overdrafts which were later written off.2 While manager of the Wellington branch of the BNZ, he became aware that Vogel's overdraft was allowed to run up to a certain figure and then ostensibly debited to his Auckland account, but in reality the liability was allowed to lapse. Bridges brought his knowledge of this practice and other instances of the BNZ's improper interference in politics to the notice of Parliament in 1875. As a result, Bridges was examined before the bar of the House and his charges against the BNZ were dismissed after a Select Committee investigation. These events provoked a public outcry, which caused such damage to the National that Bridges had to be recalled.3

The findings of the Committee cannot be accepted at face value. Bridges had little chance of substantiating his allegations without access to the records of Vogel's accounts, and even these may not have helped his case. He lamely reminded the Committee that "there is an axiom in law that the greatest truth may be the greatest libel."4 As even Ritchie was forced to admit, in an anonymous letter to the Otago Guardian: "We all have our own characteristics, and one of Mr Bridges seems to be that of saying a little too much."5 The Committee was not disposed to probe energetically into the charges. Murdoch was in any case confident about a favourable report, having analysed the composition of the Committee and consulted with Stafford, who was the chairman.6

Circumstantial evidence suggests that Bridges may not have been wide of the mark. Vogel's finances continued to be weak in the 1870s and 1880s. His debt

1 Timaru Herald, 27 August 1875. For another example of the Herald's violent attacks on Vogel and Russell, see the Otago Guardian, 29 March 1876.
2 Ritchie to Russell, 1 June 1875, p. 1, Ritchie Papers.
3 Ritchie to Russell, 21 August 1876, p. 96, Ritchie Papers: "I hear Bridges has resigned Larkworthy-Tom Russell &c having made it too hot for him." For the report and findings of the Committee, see AIHR, 1875, I-28, Parliamentary Debates, 11 October 1875, p. 357.
4 AIHR, 1875, 1-28, p. 32.
5 Otago Guardian, 15 October 1875.
6 Murdoch to Larkworthy, 30 August 1875, Larkworthy Papers.
from the purchase of the **Southern Cross** is said to have been paid off in 1871, but by the time the paper was taken over by a company in 1873, the NZLMACo held a mortgage of £6,250, a liability that seems to have existed since 1870.\(^1\) The Loan Company held £3,000 of the company's debentures and apparently invested £300 in its shares - "in the interest of this Company and the Bank of New Zealand".\(^2\) The venture was not successful and the paper was sold again in 1876. Ritchie informed Russell:

> Poor Vogel I hear is very hard up. The Southern Cross paper was sold up the other day for a mere nothing. They say he drops £8000 there, or rather the Loan Coy who advanced the money. I suppose the B. of N.Z. stands the £2750. which the Assembly refused to vote.\(^3\)

Vogel's means may have been small, but his lifestyle was notoriously extravagant. He was an inveterate gambler. In 1872 a Wanganui gentleman was reported to have relieved him of £200 during one night at the gaming table.\(^4\) The same year, Thomas Roberts saw Vogel "betting and gambling as usual" at the Geelong races. "He and some others played Loo all Thursday night till 7 on Friday mo/ having £60 and £70 in the pool sometimes."\(^5\) The Vogels were famed for their lavish dinner parties. Rees believed that these were an important part of his political strategy.\(^6\) Henry Manders attended one in 1876 and was treated to a sumptuous seven-course feast. "These affairs must swallow up a large portion of his official salary - probably £100 each."\(^7\)

A casual remark in a letter from Murdoch to Larkworthy in 1875 gives a clear hint that Vogel's affairs were treated in an unusual way by the BNZ:

---

\(^1\) R. Dalziel, *Julius Vogel*, p. 158. NZLMACo Minutes, 30 April, 9 May 1873. Vogel received £4,000 for the plant and goodwill, which might suggest that the paper was mortgaged beyond its real value. *Australian & New Zealand Gazette*, 5 August 1873, p. 514.

\(^2\) NZLMACo Minutes, 30 April 1873.

\(^3\) Ritchie to Russell, 18 December 1876, p. 160, Ritchie Papers.

\(^4\) *Waikowaiti Herald*, 19 June 1872.

\(^5\) Tom Roberts to Roberts, 22 February 1872, Roberts Papers. For further comments on Vogel's gambling see Matthew Holmes to Stafford, 8 October 1872, Stafford Papers.

\(^6\) *Tuapeka Times*, 9 August 1876.

\(^7\) *Lake Wakatip Mail*, 6 July 1876. This is clearly the paragraph referred to by Rees.
I am uneasy about Vogel’s obligations he has over £4000 to us here already and another £2,500 if you have consented to his proposal will make a tidy balance and more than I expect he will repay.¹

This was a remarkable statement for any banker to make, particularly when one considers that the ink was scarcely dry on the report of the Public Accounts Committee. On the face of it, Murdoch’s remark lends credence to Bridges’ allegations. Dalziel considers that Bridges’ evidence was “totally discredited” and that the “extraordinary facilities” he had referred to:

... turned out to run to the total of £200 overdraft on Vogel’s Wellington account. The overdraft was then transferred to Auckland, where Vogel had most of his financial interests, and was paid off from his Auckland account.²

This is misleading. Bridges thought that the £200 sums were being transferred “much more” than four or five times a year.³ The figures mentioned here suggest that a larger sum was involved.⁴ Although many people were repelled by Bridges’ betrayal of a bank he had once served, Dalziel cites some rather partial sources - Murdoch and the New Zealand Herald - for her claim that he was entirely discredited. The sole proprietor of the Herald was a director of the BNZ.⁵

Whatever the extent of Vogel’s debts to the Bank, it is clear that he was soon struggling to repay them. By 1879, when Vogel’s continued political importance might have been questioned, the Bank had grown tired of the condition of his finances.

² R. Dalziel, Julius Vogel, p. 207.
³ AIHR, 1875, 1-2B, p. 43.
⁴ It is possible that some of the liability was not to the Bank itself but to Murdoch, Larkworthy or Russell in a private capacity.
⁵ Otago Guardian, 13 October 1875.
There is little to suggest that Vogel's position materially improved during the next decade. In 1888, his shares in the New Zealand Agricultural Company were forfeited, presumably for non-payment of calls. Also that year, George Buckley made a revealing allusion to Vogel while delivering the report of the shareholders' committee that had investigated the state of the Bank's accounts: "Then there was a popular politician, now out of the country, from whom nothing had been recovered and nothing ever would."

This account of Vogel's relationship with the BNZ differs in emphasis from that provided by his most recent biographer, Dr R. Dalziel. Dalziel has written:

As Colonial Treasurer, Vogel had close links with the financial and banking sector, especially with the Bank of New Zealand where the government account was domiciled. He was not, however, as some of his enemies claimed, the pawn of the bank. The government and the bank worked together for their mutual advantage. If Vogel benefited personally from the connection it was in a very minor way...

The evidence reviewed above might be grounds for believing that this judgment is unduly sympathetic.

The dominance and numerical strength that the Bank had in the House during the 1860s were not sustained in later years. But through men like Whitaker, Vogel, Atkinson, Stafford, Richardson, Mitchelson and perhaps Larnach, it retained a strong voice in the highest level of government. The circumstances surrounding Hall's accession to the Premiership aroused suspicions that he too had some understanding with the BNZ. Ritchie greeted the change of Government with the comment: "... the Bank of N.Z. ring is powerful as ever." He feared that Hall would use his position to promote the New Zealand Shipping

1
2
6 Ritchie to Galbraith, 1 May 1880, p. 135, Ritchie Papers.
Company, of which the new Premier was a director.\(^1\) It may be that Ritchie underestimated Hall's integrity: Saunders regretted the Premier’s resignation in 1882, believing that it removed an important obstacle to the Bank’s influence.\(^2\)

It nevertheless appears that few Ministries were formed that did not contain Members over whom the Bank held some sway. When Dunedin men sought a share of the Government’s banking business for the Colonial and National Banks, the BNZ could muster a powerful resistance. Their failure to break the BNZ’s monopoly of government business was more damaging than might have been realised at the time. In the banking crisis of the early 1890s, it was the BNZ’s position as sole banker to the Government that won it the vital protection of a State guarantee. Although a stronger institution at that time, the Colonial was thus severely disadvantaged.

The BNZ wrung numerous benefits from its connection with the Government. Favours and commissions were obtained for companies attached to the Bank, such as the New Zealand Shipping Company and the New Zealand Insurance Company, or for such ventures as the Waikato Land Association, in which BNZ men had private interests.\(^3\) The Bank could exercise a degree of control over the Government’s finance policy, or at least be privy to its future direction and able to adjust its own affairs accordingly. In 1879, when the tight money market caused the Bank some embarrassment, E.C.J. Stevens thought that another large government loan was inevitable:

> The Bank of NZ interest has been agitating for it for months & I have myself been pressed in the same interest to push for an early session in order that all preliminaries of a fresh loan might be got ready so as to be able to float it the moment September comes to an end.\(^4\)

Possession of the government account was a great advantage during these years of high public borrowing. Subject to certain restrictions and undertakings to advance to the Government when called upon, the Bank periodically had access to large funds on terms far more favourable than those offered to other banks. Much of the profit was in the working of the account: in commissions, working expenses

---

1 Ritchie to Galbraith, 1 May 1880, p. 135, Ritchie Papers.
3 For the New Zealand Insurance Company, see Ritchie’s anonymous letter in the Otago Guardian, 8 February 1875.
4 E.C.J. Stevens to Stafford, 19 June 1879, Stafford Papers.
and exchanges. These provided opportunities for raking off fees on a scale or in a manner that might be thought unjustifiable. Waterhouse complained of irregularities in 1873. Writing to Stafford in 1871, Stevens described one questionable levy of a thousand-pounds commission as "the latest Bank of New Zealand enormity", and vowed:

If this kind of thing is allowed to go on I shall take up systematically the advocacy in every paper independent of the Bank - of the division of the Banking business of the Colony amongst all the Banks having a certain paid up Capital and Reserve Fund. The thing is absolutely beyond endurance and is becoming a public scandal and it is time that somebody undertook the public defence against these continual outrages.

The figures produced by Dargaville in 1883, using official returns, give some impression of the value of the Government's business. That year, the BNZ had received £26,000 in fees and commissions. The balance of the Government's colonial account in the two and a half years of Atkinson's administration averaged £660,000. On a conservative estimate of the market value of these deposits, the Bank had gained (and the Government lost) £45,000 by the terms on which this money was held.

But possession of the government account imposed some serious strains upon the BNZ. The fact that its agreement with the Government could be terminated on six months' notice meant it had to exercise caution in deploying funds, especially during times of political uncertainty. The Bank was also required to provide the Government with up to £400,000 when called upon, and reserves to cover this contingency had to be kept, unprofitably, in London. To earn profit from the account it was essential to find constant employment for the money placed by the Government at the Bank's disposal. As there was not enough trade paper in the hands of the Bank to absorb such large amounts, it was driven to lend a great part of the deposits on dead loan. It had therefore to compete with loan companies, which had the advantage of being in more permanent possession of their funds.

---

1 Parliamentary Debates, 31 July 1883, p. 194.
2 Stevens to Stafford, 2 August 1871, Stafford Papers. For similar remarks, see D. Monro to Richardson, 9 November 1870, Richardson Papers.
3 Parliamentary Debates, 31 July 1883, p. 194.
4 Timaru Herald, 7 May 1879.
The dangers of this situation were manifested in the financial crisis of 1879, when the Government had to lean upon the Bank for assistance. The Bank, in turn, could only press unreasonably its trade customers (its most solvent clients) or call up loans, many of which had been borrowed on the tacit understanding that they would be of a more-or-less permanent character. Much of the BNZ’s trouble in the late 1880s arose from this temptation to sink money into slow-moving advances in order to cover the interest owed by the Bank on its large government deposits. J.R. Hill of the Bank of New South Wales noted the acute shortage of cash in 1879 and wrote:

The BNZ has, upon the strength of the Govt having a lot of money in hand, increased its advances to the public generally & as the Govt is probably spending far more than its income the Bank has to call in loans... hence the pressure which the Bank of N.Z. is exercising all over the colony.

The BNZ, he thought, "must have enormous sums locked up in squatting advances."

The prudence of entrusting to one institution the entire banking business of the Government was by no means self-evident. In times of crisis it would have been far safer if the government account were held by an association of banks, as was the case in Victoria. Moreover, under such a regime, the opportunities for employing the money in more orthodox banking business would have been multiplied and the Government’s demands for accommodation more widely spread. This would have preserved the local economy from the kinds of credit upheaval noted earlier. With the advent of the National and Colonial Banks, it could no longer be maintained that the BNZ should have the government account because it was the only New Zealand bank. The National had more New Zealand proprietors than the BNZ, and the Colonial Bank was, of course, purely a New

---

1 This paragraph is largely based on the Timaru Herald, 7 May 1879. For the Bank’s unpopularity at this time, see Hallenstein to Geisow, 10 September 1879, p. 363, Hallenstein Papers. Comments by Mathew Holmes on the unfairness of terms on which the BNZ held the government account are reported in the Otago Guardian, 28 January 1875. John Bridges also alleged that the Bank was obliged to pressure its private customers in response to the state of government finances. AIHR, I-2B, 1875, p. 27.
2 J.R. Hill to Hall, 8 April 1879, Vol. 37, Hall Papers.
3 J.R. Hill to Hall, 8 April 1879, Vol. 37, Hall Papers.
4 A.B. Baxter, Banking in Australasia, p. 43.
Zealand institution. There was little force in the argument that an association of banks would weaken the Government's position by removing the element of competition. No other bank could manage the account on its own, and the task proved to be scarcely within the capacity of the BNZ.

The BNZ wrested the government account from the Union in 1862 in what the latter considered an improper act by a hostile Ministry. The Union entertained little hope of regaining the account, given that In 1874 the National and Colonial pressed hard for a share. Their claims were strengthened by Vogel's decision to place with the BNZ £3.6m out of the £4m loan of that year. This move seemed unjustifiable and aroused great indignation in New Zealand. The Government required only £2m of this amount immediately; the interest payable on the deposit was 2.5%, far below the current rates of 4-5% offered by British banks or 7% in the colonies. In addition, the Bank at that time had a capital of only £600,000 and held coin equalling just 2s 6d in the pound against its gross liability.

The Public Accounts Committee of the House of Representatives considered this matter with the Bridges affair. It advised that Vogel's action was unnecessary in terms of the agreement with the Bank and that tenders for the government account should be invited from other banks. The Committee's findings caused some surprise in BNZ circles. Disappointment was expressed that Stafford had not been able to arrange a more favourable report. Murdoch had earlier written:

Stafford tells me from his [Bridges'] apparent readiness to enter into statements foreign to the questions asked of him he thinks there will be no difficulty in tripping him up and he means to do it if a chance offers. We have a majority of the committee favourable to us, the government are wholly with us and even if it came to a vote in the House I think we would carry a majority so I am tolerably easy about the account.

---

1 The bulk of the Bank of New Zealand's shares were held outside the colony. R.A.A. Sherrin, "An Enquiry into the Financial Condition of the Bank of New Zealand", p. 11. The National Bank reserved a third of its shares for colonial investors.

2 Parliamentary Debates, 19 October 1875, p. 552. The reaction of George Gould was echoed in many corners of the colony: "Vogel seems to have forgotten altogether the interests of NZ and to have studied how much he can put into the pockets of the shareholders of the Bank of New Zealand." George Gould to Rolleston, 31 July 1875, Rolleston Papers, MS Papers 446, Alexander Turnbull Library.


4 Coster to Larkworthy, 23 October 1875, Larkworthy Papers.

5 D.L. Murdoch to Larkworthy, 30 August 1875, Larkworthy Papers.
Stafford at least obtained an important safeguard in the recommendation that
tenders should be received only from individual banks and not from an
association. The BNZ was virtually shielded from competition and,
being the sole tenderer, it retained the government business on revised terms.

By 1879 the Bank's willingness to continue in sole possession of the field was
faltering. Stringency in the money market and the unfriendliness of the Grey
Ministry stripped any appeal from the task of government banker.  

Notice of the Bank's intention to terminate the arrangement was given in
September. A few months later, the situation was quite changed. The Grey
Ministry lost the support of several key members. This allowed John Hall to take

---

1

2 Grey had threatened to place all of the £5m loan with the Bank of England - "and he would if he could no
doubt". W.C. Roberts to Larkworthy, 12 September 1879, Larkworthy Papers.

3

4

5 AHR 1879, Session II, B-S.
office with Whitaker and Atkinson among his Ministers. The New Zealand Punch was scathing in its treatment of the "Auckland Four" who had deserted Grey in 1879, and attributed some of the defections to the influence of the BNZ. Possibly as a consequence of the change of government, the Bank now seemed anxious to retain the account. It was clear that this would be a hard fight. A Select Committee was convened late in 1879 to re-examine the Government's banking arrangements.

---

1 See, for instance, Punch's portrait of Reader Wood. "Reader Wood is, however, a shareholder in the Bank of New Zealand, which lends him of course, the influence of the Bank. Colbeck, another of the Auckland rats, was also a shareholder in the same corporation. When, however, we write a notice of the Attorney General [Whitaker] we may deal at length on the influence of the Bank of New Zealand on our political life; and then show how no honest party government can exist as long as it has the management of the public funds and the public account. When the influence and profit of the Bank, and the secret arrangement as to the Agent Generalship with Atkinson are remembered and estimated [it appears that Reader Wood was promised the position after Vogel] the reasons for Reader Wood changing sides in 1879 will become clear." New Zealand Punch, 25 January 1880.

See also the portrait of Swanson. "Unfortunately he got mixed up with the 'Bank Clique' last session, and formed one of the Auckland four... It has been freely stated that the Member for Newton was influenced by monetary considerations in his change of party but the charge is open to grave suspicion." New Zealand Punch, 7 February 1880.
Pyke was not added to the Committee, but it appears that Murray's strategy was successful. The Committee recommended that the Executive should have a discretion in the management of the Government's business - a finding with which the Bank would have been well pleased, as there was no change in the tenure of the account. Outsiders could only speculate about the BNZ's renewed determination to remain the banker to the Government. Its sudden change of heart did not escape Seddon's notice:

"... if any man in this House who claims to be possessed of reasoning powers will tell me that the Bank of New Zealand does not exercise a large influence in the politics of this country, then I say he has no right to be here. I do not say it uses that influence to the detriment of the country. It is an institution which at times of peril in this country has come to the rescue. At the same time, like all other institutions, it is possible that shareholders may want more than they are entitled to get. And we do know that, when we had in power a Government that was not the present Government, that institution sent a note telling the Government it would just as well be without their account. Well, Sir, the institution was not then making profits. It was not satisfied with the profits as between the Government and itself; and we know, of course the result. After my honourable friends came into power matters worked far more smoothly as between that institution and themselves; and I do not say that the institution regrets it, or that the colony has lost by the transactions which have taken place since, but I cannot hide the fact that the institution has a large political influence in this country."

1 The committee comprised Atkinson, Bain, Ballance, Bunny, Sir George Grey, Osborne, Hall, Macandrew, McLean, Montgomery, Oliver, Ormond, Reid, Saunders, Stevens, Reader Wood, Johnston and Wright. Journals of the House of Representatives, 29 October 1879, p. 54; 30 October 1879, p. 60.
3 Parliamentary Debates, 3 August 1883, p. 334. See also John Miles Verral, "The condition of New Zealand: a challenge to Sir Julius Vogel K.C.B. and to the money lending fraternity and lawyers.", Christchurch, 1885. John Bathgate stated in the House: "We all know that the Government is so intermixed with a powerful monetary institution that it would require braver men than perhaps even our present Government to take the initiative in such a transaction [a State bank]... We all acknowledge the power of..."
In 1884 the National Bank correctly anticipated a change of Ministry and planned to mount another bid for a share of the government account. Its hopes were dashed when Vogel emerged as Colonial Treasurer, and the BNZ was left unchallenged.\(^1\) The Colonial Bank was able to make two large advances to the Government when the BNZ, already starting to show signs of strain, was unable to provide funds for interest payments on State loans. Atkinson was said to have promised the Bank a share of the government account as a reward for these services, but died before the matter could be finalised. In 1892 the Public Accounts Committee found that such an undertaking had been given - a finding strongly denied by John Murray - and the Colonial was granted a third of the Government’s remittance business.\(^2\) This concession, involving some £600,000 per year, was short-lived. The State guarantee given to the BNZ in 1894 resulted in the restoration of the monopoly, making it futile for the Colonial to press its claim for a one-third share of the whole of the Government’s business.\(^3\) By pleading its weakness, therefore, the BNZ had dealt a significant blow to its Dunedin rival.

It is difficult to estimate the real strength of the BNZ in politics and the extent to which its power was exaggerated by the BNZ’s opponents for their own purposes. Historians have long been aware of the persistent accusations levelled against the Bank. A number of writers, notably Gardner, Hanham, Stone, Morrell, Dalziel and Bohan, have alluded to contemporary perceptions about the BNZ’s influence.\(^4\) None has attempted to identify the precise channels through which this supposed influence might have operated. This is a difficult task because of the nature of the sources, but in some cases the failure even to acknowledge the possible significance of the Bank’s activities is surprising. Recent biographies of

---

1 G.R. Hawke, MS History of the National Bank, Ch. 2, p. 32.
2 That is, the discharging of State debts in London.
Atkinson, for example, make no mention of the fact that he was twice accused of an improper association with the BNZ.\footnote{J. Bassett, “Harry Albert Atkinson”, in W.H. Oliver (ed.), \textit{The Dictionary of New Zealand Biography}, Vol. 1, p. 7. \textit{Sir Harry Atkinson}.}

There was a long history of suspicion and controversy about the Bank's role in politics, and hatred of the Bank was rooted deep within a section of Dunedin's business community. Some of the reasons for this are apparent from the evidence already considered. A picture emerges of a bank whose officers frequented the lobbies, accosted Members as they disembarked from their ships, circulated written instructions about how Members were desired to vote, manipulated the composition of Select Committees through their "friends" on both sides of the House, obtained political favours for companies in which the Bank was deeply interested and made loans to certain political leaders beyond the sums that those men were worth as ordinary commercial risks. Little sense of this emerges from the existing literature. But whether or not the picture painted by the Bank's enemies was entirely correct, we may be sure that it seemed real enough for at least part of Otago's business community.
CHAPTER TWO - THE BNZ AND NZL MACO IN DUNEDIN IN THE 1870s

Considering its overall domination of banking in the colony, the BNZ had to fight hard to win a high position in the commercially strategic city of Dunedin. The Union Bank and the Bank of New South Wales retained a large share of the loan market. More importantly, the National and Colonial Banks, the BNZ's main rivals in the contest for parochial support, were pre-eminently southern institutions. The establishment of these banks in the mid-1870s had cost the BNZ a great deal of business. Subsequent conditions did not permit a safe recovery of the lost ground. The ensuing vigorous competition between the banks coincided with the period of rampant speculation in land.

The BNZ's efforts to maintain and strengthen its connection under these circumstances led it to acquire or give rein to some of the largest and most speculative borrowers in Otago. Among these may be mentioned David Proudfoot, George Turnbull, George William Eliott, Charles Ritchie Howden, William Fraser, John McGregor and Larnach. Driver's personal account may have remained with the National (it appears in the records of that bank in the 1880s), but in his capacity as manager of the Loan Company and in his financial dealings with Larnach he was also closely identified with the Bank of New Zealand. These men were by no means a group set apart from the rest of the business community, although there were many business and private ties between them.

William Charles Roberts was the BNZ manager during the critical time after Latham Beal's defection to the Colonial Bank. Roberts had seen service with the BNZ in, as he put it, "the unsettled excited and disorganised times of the gold discoveries", first at Queenstown and then on the West Coast. A credulous man, he not only failed to check his larger clients, but allowed himself to become financially involved with some of them. Murdoch entertained some misgivings about Roberts' discernment at the time of his appointment in 1874:

Roberts I hope will do well at Dunedin though I have some doubts about it. He unfortunately is new to the style of business and is disposed to be over facile in falling in with unreasonable requests of his more knowing customers.

---

1 W.C. Roberts to Inspector, 24 July 1880, BNZ Archives.
2 D.L. Murdoch to Larkworthy, 27 January 1875, Larkworthy Papers.
Ritchie noted his arrival on the scene with derisive snobbery: "The new manager Roberts is a cad, treats people in an off hand, hob nobbing style, such as, I suppose, he did the diggers on the West Coast."1 Roberts' assistant, Gibson Ferrier, who later succeeded him, was a more astute banker. He early foresaw the perils of grossly inflated land values.2 Unfortunately, he placed his career in jeopardy by eloping in 1886 with the wife of James Mills.3

Roberts' task of recapturing the popularity of the BNZ in Otago was hampered by the bad name his institution had come to acquire. Throughout the colony there was a growing conviction that the Bank of New Zealand had too much power over the Government and had encroached too far beyond the limits of legitimate banking to become, in reality, the largest merchant in the country. This feeling of discontent reached its peak in the mid-1870s and had a marked effect on affairs in Otago.

One event that helped to kindle the resentment was the purchase of the Port Chalmers Railway in 1873. This line was built by two members of the "inner circle", Proudfoot and Oliver, in partnership with Thomas Ulph. They were financed by the BNZ and the Loan Company and, technically speaking, employed by a company that was almost wholly owned by the NZLMA Co.4 The Loan Company also shared one fifth of any profit that might accrue to the contractors.5 Once the line was completed in 1873, Proudfoot and Oliver had the right to work it for five years, after which time it could be taken over by the Government at its current valuation.6

It appears that the Loan Company was anxious for an early sale, possibly to take advantage of the Public Works and Immigration Act, passed after the Province had commissioned the line, which better enabled the Government to pay a high price. One of Bridges' allegations was that the Bank had put pressure upon Vogel to have the railway purchased at a much higher price than the Provincial Government was prepared to recommend.7 Macandrew later claimed that he was

1 Ritchie to Russell, 17 September 1874, p. 138, Ritchie Papers.
2 Ritchie to Russell, 15 September 1876, p. 103, Ritchie Papers.
4 AIHR, 1873, 1-2B, p. 34. The Loan Company held 11,775 of the 12,000 shares. The other proprietors were mainly persons with a Bank or Loan Company connection: A.J. Mundella, W.S. Grahame, Robert Porter, Emanuel Borcher, H.B. McNab, W.J. Steele and Gibson Ferrier. I am grateful to Mr J.A. Dangerfield for showing me a copy of the company's file.
5 NZLMA Co Minutes, 18 April 1873.
6 AIHR, 1873, E-7A, p. 3, no. 7.
7 AIHR, 1873, 1-2B, pp. 40-42.
the only person who put pressure on the General Government to buy the railway, because he considered it a desirable acquisition.\(^1\) It was also said that Proudfoot was extremely reluctant to part with the line, and this is confirmed by his correspondence at the time of the sale.\(^2\) Proudfoot complained that he had little choice in the matter, "too much power and interest having been given away in London".\(^3\) Another objection to Bridges' account of the matter was that the negotiations were conducted by Edward Richardson, not Vogel (though we have seen that Richardson's financial arrangements with the Bank were also anomalous). The Loan Company minutes do not bear this out. In 1873 it was reported that the terms of sale arranged with Vogel had been slightly altered, but were in favour of the sellers.\(^4\)

The fact remains, however, that the line changed hands for £187,000 - over £100,000 more than the cost of its construction.\(^5\) The Provincial Government had recommended that no more than £150,000 should be offered and there was stiff opposition to the transaction in the Provincial Council.\(^6\) George Waterhouse, who was a member of the General Government while the negotiations took place, testified that Murdoch had interviewed Vogel three times "and pressed the matter very much upon him" and that Richardson's "great difficulty was the hardness of dealing with Mr Murdoch."\(^7\) Bridges had a clear recollection of Larkworthy's views on the purchase:

> It was he who first gave me a strong impression that pressure had been put upon the Government, by saying that it had been an advantageous transaction altogether, and by expressing his desire for more such operations.\(^8\)

---

3. Proudfoot to Richardson, 23 July 1873, AIHR. 1873, E-7A, p. 15, no. 28.
4. NZLMACo Minutes, 18 April 1873.
5. AIHR. 1873, E-7A, p. 3, no. 7. NZLMACo Minutes, 14 February 1873. The managing director of the Loan Company told Latham Beall that the minimum price would be £165,000. NZLMACo Minutes, 7 March 1873.
The final price does seem to have been generous. It resulted in a profit of more than £13,000 to the Loan Company.¹ The ODT wrote disapprovingly of the part played by the "irrepressible Loan Company, which throughout the deed [of purchase] is very appropriately termed the New Zealand Company".² Two years later, during the Bridges affair, the Lyttelton Times reported a rumour that £6,000 had been wiped off one Minister's overdraft in consequence of the sale.³

Ritchie's letters from 1874-76 chronicle the steady increase of hostility towards the BNZ. Whenever businessmen gathered it seems that conversation frequently turned to the financial and political affairs of the Bank. Ritchie impishly did his best to fuel the agitation: "Talking of Murdoch he is very quiet with me, & I pay no attention to him at all. It is extraordinary how many people talk about the Bank of N.Z. now - & you may be sure I keep it up."⁴ More than a few shared Ritchie's antagonism, among them his riding companion, Richard Oliver: "he is great on the Bank of N.Z. I never heard anyone so hard on them except myself."⁵

The spread of this sentiment began to have practical repercussions for the Bank. In 1876 Henry Driver informed the directors of the Loan Company that for some time its bonded store in Dunedin had been almost boycotted. Buyers and importers refused to place goods in the store because they believed their transactions would be "unduly scrutinised".⁶ The only solution was to work the store under the name of an independent party who would not have to contend with such "adverse influences".⁷ Driver recommended that Neill & Boyd should be offered a quarter share in the store to effect this purpose.⁸

Inevitably, tensions between the enemies and associates of the BNZ began to surface in the boardrooms of Dunedin companies. John Roberts and E.B. Cargill conspired to have the account of the Mosgiel Woollen Co removed from the BNZ to the Bank of New South Wales in 1874. Although this action aroused opposition

¹ NZLMA Co Minutes, 23 May, 12 September 1873. Ritchie, noting that the Loan Company paid a 12.5% dividend and carried £22,000 to reserve in 1874, remarked to Russell: "this must be the haul they made out of the Port Chalmers railway." Ritchie to Russell, 2 April 1874, Ritchie Papers.
² ODT, 9 August 1873.
³ Quoted in Timaru Herald, 13 October 1875.
⁴ Ritchie to Russell, 17 February 1874, p. 23, Ritchie Papers.
⁵ Ritchie to Russell, 17 September 1874, p. 149, Ritchie Papers. Oliver's hostility may well have been aggravated by a dispute with Larkworthy over the building of the Port Chalmers Railway. Murdoch to Larkworthy, 14 January 1874, Larkworthy Papers.
⁶ NZLMA Co Minutes, 19 May 1876.
⁷ NZLMA Co Minutes, 19 May 1876.
⁸ NZLMA Co Minutes, 19 May 1876.
at the shareholders' meeting, W.C. Roberts was upset by the affair. Spitefulness was the only explanation he could find for the change, John Roberts being:

... strong against the [Loan] co. and consequently [the] Bank (for the feeling of disliking one and all is felt here) - "too much Bk of NZ, NZ Insurance, '[Loan] Company' and Shipping Company".¹

Roberts, it is true, had no love for the "N.Z. crowd" and explained to Coster that "the line of demarcation between the Bank, Shipping Co. & Loan Co. was extremely indistinct."² John Sanderson of London, a confidant of the Roberts family, wrote:

There seems to be a most intimate connection between the Bank of N.Z., the Shipping Coy & the Ince Coy and, like Leech's terrier - you can't tell the head from the tail.³

Ritchie was amused when Larnach tried to persuade the directors of National Insurance to take debentures in the New Zealand Shipping Company: "... there was such a titter that the subject dropped. Larnach is always putting in a word for the B of NZ now his a/c is there & from friendship with Driver I suppose."⁴ A similar spirit prevailed at the general meeting of the National Insurance Company in 1877. The year before, in what he considered most discreditible circumstances, Driver was defeated in his bid to be elected to the board. He was greatly annoyed to find that this was to happen again - Ritchie, Neill, Ramsay and Oliver having combined their proxies in a block vote to exclude him. Driver was inclined to view Ritchie as the author of the conspiracy and, despite the latter's assertion that they were "the best of friends", the atmosphere of the gathering was tense.⁵

There can be little doubt that Ritchie was bent upon attacking the Bank and its offshoots at every opportunity. W.C. Roberts saw him as "a deadly foe of ours" and attributed to his pen a series of letters, highly critical of the Bank, which

---

² Roberts to Sanderson, 14 July 1882, p. 651; Roberts to Sanderson, 24 March 1882, p. 553, Roberts Papers. The Roberts and Murray families seem to have developed a grudge against the Bank as a result of complications arising from a bankruptcy in 1875. John Sanderson to Roberts, 8, 20 August 1875, Roberts Papers. Roberts advised Sanderson in 1882: "Coster notwithstanding, I am of opinion that the same influence which guides the Bank of NZ (& I don't think it is a good one) guides the Shipping Company". Roberts to Sanderson, 5 May 1882, Roberts Papers.
³ J. Sanderson to Roberts, 17 January 1879, Roberts Papers.
⁴ Ritchie to Russell, 29 July 1875, p. 33, Ritchie Papers.
⁵ Southern Mercury, 19 May 1877, p. 460.
appeared in the *Otago Guardian* under the pseudonym "X". Ritchie found further ammunition for his campaign in the conduct of the 1875 by-election. This seat in the General Assembly had become vacant when W.A. Tolmie died. The contest to find a successor was a hard-fought affair between Robert Stout and Larnach, who was somewhat tardy in announcing his candidature. Old residents thought it the most exciting election for many years. Both men had strong committees, which worked hard in the days before the election. On polling day numerous cabs were "flying around", bringing voters out from Dunedin, some decked with posters exhorting electors to "Vote for Larnach", others bearing the message, "Have your choice for Stout and retain your land revenue or vote for Larnach and hand over the Province to the North Island."

For days beforehand there had been a good deal of speculation that Larnach had consented to stand in the interests of the BNZ. "That [Larnach] is the nominee of the Government and the Bank of New Zealand, [Stout] the people’s darling; these are assertions bandied about from lip to lip", wrote the *ODT*, "but we cannot admit for one moment that is true." In Wellington, the gossip in the lobbies was that the Ministry was very anxious to keep Stout out. The *Evening Post* reported, "the Government and Bank of New Zealand are using every effort here and in Dunedin to prevent Mr Stout’s return." When the votes were counted, Stout emerged the victor by only eleven votes. Larnach’s supporters were undismayed and bore him away, shoulder high. Stout later made a speech in which he thanked electors for refusing to let personal considerations influence their minds. The *Bruce Herald* interpreted this as "a dig at the Bank of New Zealand and the Loan and Mercantile Company who had both been guilty of doing everything possible to further Mr Larnach’s return."
The city newspapers had nothing to say on this aspect of the campaign and it was left to the *Timaru Herald* to provide a full account of proceedings.\(^1\) This journal denounced the portrayal of the election as a contest between provincialism and centralism: "Is it a struggle for any political principle whatever? By no means; it is solely a scramble for cash; a fight between the Bank of New Zealand or other moneyed Companies, and some interest which they deem antagonistic to their plans."\(^2\) Soon after the outcome was known, the *Herald* bravely published a letter, contributed by Ritchie under the pen-name "Watch", which probably no Dunedin paper would have dared to print:\(^3\)

If it is necessary to supply further evidence than has been already drawn attention to, of the extraordinary hold over and interest in the members of the present Government cultivated by the Bank of New Zealand, such is supplied ready to hand by the contest for the vacant seat of Caversham... Rumor has it that it was at first intended to put up Mr Henry Driver, but that his connection with the Bank was thought to be rather too patent.\(^4\) Another satellite was tried, but without effect, and finally Mr Larnach was got, who is closely connected in many ways with Mr Driver. This accomplished, the contest was begun, and the fight has been the fiercest conceivable. The electors of Caversham have for some time enjoyed the privilege of Mr Stout's independent representation in the Provincial Council, and though many of them did not agree with some of his views, yet there was a very general admiration for the healthy tone of his political morality, and his fierce denunciation of all log-rolling and political dishonesty. It is easy, therefore, to conceive with what horror the Bank of New Zealand contemplated the prospect of his "walking over" for the seat; how anxiously they cast about for a suitable nominee, and with what zest they waged war against him. The inspector of the Bank appeared on the scene himself, and marshalled the forces. The "parasites" of the institution - the Loan Company, Insurance Company &c. - contributed the material of war, their officers personally canvassing in every direction from early till late of every day. Of course the battle cry was Abolition against Provincialism, and all the papers wasted clouds of

---

1 See Appendix 42, Volume Two.  
2 *Timaru Herald*, 20 August 1875. The editor had this rather back-handed compliment for Larnach: "He towers far above the money-grubbing shop-keepers who form the 'upper ten' in the southern capital; and should by no means be classed with that unscrupulous ring who have given society there a distinctive aspect; and it is for that reason that we regret to find him standing for Parliament under present circumstances."  
3 Ritchie refers to this letter in a note to Russell dated 30 August 1875, p. 45, Ritchie Papers.  
4 Cf. *ODT*, 13 August 1875.
verbiage round this text. The only semblance of an Opposition paper in Dunedin is the Daily Times, which used to be violent enough, but whose Anti-Vogelism is fast becoming moribund. In this case, probably because Mr Larnach is one of its directors, the Daily Times looked the other way during the contest, and naturally so. The other two dailies "raged" like Hectors in the Abolition host. But nothing could keep down the overpowering feeling which grew with the contest that Mr Larnach was "put up," and did not care twopence about abolition or anything else. He is a popular man, and I daresay his own pleasure might have carried him to victory, but the sauce with which he was served up was too much even for the dull palates of the Peninsula electors, and I believe he may directly trace his defeat to too much of Mr H.S. Fish jun., and the Bank of New Zealand. If I may hazard a guess, I should say that his saddened spirit must have frequently ejaculated since Friday last, "Save me from my friends".

It is startling to consider calmly the fact that an institution like the Bank of New Zealand should so openly and eagerly exhibit political partisanship in this way: and bodes ill for the interests of the colony that it is worth their while to do so.¹

It is not difficult to find reasons for the BNZ's desire to exclude Stout from national politics. The by-election occurred at a crucial stage of the parliamentary session, with the abolition question yet to be settled and the Piako Swamp sale looming on the order paper. Stout's position on provincialism and land issues was certain to place him in the hands of Sir George Grey, the Bank's staunchest enemy. He had already revealed his attitude to the Bank, having made what was, for that year, the obligatory reference to the BNZ as "a power behind the Throne - almost ruling the Colony, and with millions of Government money lodged in its coffers."²

The Caversham by-election was the Bank's most obvious intrusion into the public affairs of the Province. Two years later, its name was linked with another significant event in which Stout again featured, the purchase of the ODT & Witness Company. The background to this transaction requires explanation. By a series of events, the plant of the Otago Guardian and Southern Mercury newspapers had passed into the hands of David Proudfoot, George Fenwick (Proudfoot's brother-in-law) and G.M. Reed.³

¹ Timaru Herald. 27 August 1875. For another example of Fish and Larnach's connivance in political matters, see ODT. 1 December 1881.
² ODT. 7 August 1875.
³ See Appendix 43, Volume Two.
Robert Stout also provided financial assistance.\(^2\) It is not clear how he came to be involved with the Proudfoots, but his legal partner in later years, George Mondy, appears to have been a cousin or nephew of David Proudfoot.\(^3\)

In 1877, Henry Driver, purportedly acting on behalf of W.H. Reynolds, entered into secret negotiations for the purchase of the *Otago Daily Times*. His offer was successful and the *ODT* passed to Reynolds for around £30,000. Half the price was covered by a Loan Company mortgage. Reynolds almost immediately transferred the paper to Reed and Fenwick, who absorbed the *Guardian* and *Mercury* into their new acquisition.

Driver's bid to buy the *Daily Times* could not be kept secret and, as news of his activities filtered out, a fine scandal began to brew. Ritchie recorded the drift of the town gossip in a letter to Russell in June:

> [Driver] gives as his principal W.H. Reynolds' name I hear - but it is generally believed that it is the Bank of N.Z. which wants an organ here. Others say the squatters. I can't find out at present, but Driver is enough to excite suspicions.\(^4\)

News that the Proudfoot clique was ultimately to be the paper's owner seemed to confirm suggestions that the BNZ was involved in some way. Ritchie told his partner that he had taken £250 of shares to support the *Daily Times* new rival, the *Morning Herald*, and continued:

> It is frightful that the Times shd be in the hands of the [Proudfoot and BNZ] ring - There is a dreadful scandal over the sale of it coming to light now. It is said, & it looks very like it, that Driver bribed poor Bill Murison & Stanford to sell, they having the preponderance of voting power... Driver is a frightful fellow. The accounts of how it was done are fiendish in ingenuity. [margin note:] Stanford & Murison got £100 for shares other shareholders £75!!\(^5\)

---

\(^2\) G. Fenwick to Stout, 16 June 1879, Stout Papers.
\(^3\) See Probate File of Marion Proudfoot (2953, old series, Dunedin High Court) and of Ann Proudfoot (A 1198, Dunedin High Court).
\(^5\) Ritchie to Russell, 14 January 1878, p. 18, Ritchie Papers.
The manner in which Driver finalised the deal may be recreated from a legal action between Robert Loftus Stanford and the liquidators of the old Otago Daily Times Company.\(^1\) Some of the shareholders in the old company were suspicious that Proudfoot had designs on the paper and had expressed their determination not to sell their shares if this were true. For Driver to succeed, it was necessary to persuade W.D. Murison and Stanford to part with their shares. He did this by offering them a secret premium over the price paid to other shareholders.\(^2\) Some time later, a quarrel broke out when Driver tried to dictate where Stanford should invest his proceeds from the sale. Stanford proposed taking shares in the Morning Herald Company. Driver threatened that if this happened he would expose their private agreement. Stanford unwisely called his bluff and soon found that details of his part in the affair were being noised abroad. In this way the matter became public knowledge and eventually resulted in legal proceedings. The judge found that the payment of an extra £25 per share to Murison and Stanford was a fraud on the other shareholders - "a bribe" - and made them trustees to the company for the amount involved.\(^3\)

In spite of conjecture surrounding the sale of the ODT, there are few signs that the BNZ financed the takeover for other than commercial reasons.\(^4\) Proudfoot's influence was diluted after the paper was incorporated, and it is unclear why it was thought necessary to broaden the proprietary. Even with this additional capital, the new ODT Company struggled with its mortgage liabilities. The Loan Company wanted to call in its advance in 1879, but Driver disobeyed his instructions to do so and the NZLMA Co eventually took over most of the paper's other debts.\(^5\)

For some time, however, speculation was rife about the plans of the BNZ and the men involved in the purchase of the paper. Some months after Driver made his initial approach to the proprietors of the Daily Times, the Atkinson Government was defeated and replaced by a Ministry led by Sir George Grey.

---

1 See Appendix 44, Volume Two.
2 See Appendix 44, Volume Two.
3 Morning Herald, 25 April 1879.
4 For a time, the ODT became a strong advocate of the government of which Stout was a member. It was alleged to receive government advertisements at a rate that was four times higher than usual. Saturday Advertiser, 1 June 1878. By 1882, Stout had become alienated from the paper and had ended his subscription. ODT, 19 October 1882. In 1879, the paper's editor, G.M. Reed, was awarded a two-year appointment as immigration agent in Britain. It is not clear by whose influence this appointment was secured, as he was also a friend of Vogel and known to Thomas Russell. W.C. Roberts to Larkworthy, 31 January 1879, Larkworthy Papers.
5 ODT & Witness Company Board Minutes, 26 March, 16 April, 24 May 1879.
The Bank of New Zealand had no stronger enemy than Grey and must have viewed his rise to power with apprehension. But with Larnach in the Cabinet, it might have expected the consequences of this setback to be less serious. And Proudfoot was intimate with all three Otago Ministers - Larnach, Macandrew and Stout. The BNZ may well have congratulated itself on backing such a potentially useful man as Proudfoot. Ritchie’s correspondence hints that his connections were soon put to use:

Larnach & Macandrew are both here just now as Ministers. They are being deputationed on all hands. & making promises all round. I hear that Driver Proudfoot Bank of N.Z. and all that big ring are deep in intrigues & you can imagine how they will be working Larnach. It is dreadful to think of it.¹

A few days later he added:

A tremendous B. of N.Z. ring here just now. Murdoch-Coster-Driver-Roberts-Ferrier (asst man) [illegible] (Shipping Co) always about together. Folks can’t make it out - I believe they are anxious to buy the Star newspaper - having got the Times practically. I suspect they mean to go in big licks as long as the present Gov’t is in as they have Larnach & Macandrew & no doubt work Grey Sheehan &c. They are always scheming.²

So far as Larnach is concerned, allowance must be made for his stubborn refusal to be instructed by anyone. There are indeed signs that Murdoch was not altogether convinced of his friendliness towards the Bank during his brief tenure as Colonial Treasurer.³ It will nevertheless become clear that he relied heavily on the Bank for his financial survival at this time. It has been customary to portray the Grey Government as an interruption in the "continuous ministry".⁴ But there appears to be some validity in the popular view that the BNZ held considerable sway over the personnel of these Executives. The Bank’s relationship with Larnach

¹ Ritchie to Russell, 10 January 1878, p. 15, Ritchie Papers.
² Ritchie to Russell, 14 January 1878, p. 18, Ritchie Papers.
³ Murdoch to Larkworthy, 14 October 1878, Larkworthy Papers: “Larnach appears to have been riding the high horse. I cannot discover that he has in any way advised the government to our detriment. There has not been a sign from the House during the session. The Bank’s name does not seem once to have been named.”
might therefore suggest a thread of continuity, which has previously been overlooked.

**Henry Driver and the NZLMACo in Dunedin.**

The rise of the BNZ during the 1860s and 70s was paralleled in no less startling fashion by that of the NZLMACo. By 1880 the Loan Company had grown into one of the largest wool agency companies in the world and, in New Zealand, it was second only to the BNZ in the scale of its lending activities. This devouring growth was not without effect on the private mercantile houses that made advances to farmers and squatters and arranged the consignment of their wool and produce. At Lyttelton, thanks to the zeal of J.L. Coster, the Loan Company commanded 40% of grain exports and a quarter of the wool sent from the port in 1878. Merchants of such standing as the Gould family began to doubt their future in business. Few of the smaller firms could afford to have their capital locked up in the advances that the agricultural industry now demanded, and without such lending it was often difficult to retain commission business.

There were early symptoms of the Loan Company's monopolistic ambitions in Otago, where merchants were quick to speak out in their own defence. Between 1867 and 1870, the Loan Company, while operated through the agency of the BNZ, acquired consignments amounting to 10,000 bales of wool from Dunedin merchants. The prevailing opinion among the NZLMACo's competitors was that a symbiotic relationship existed between the BNZ and the Loan Company. One Dunedin newspaper correspondent decried the Loan Company as:

> [t]he impersonality which exists unseen in every branch of the Bank of New Zealand, which takes note of all the transactions across their counters, hovers over every ledger keeper's book, peruses every page of their most private communications and never for a moment forsakes the presence of all their managers ...

---

2. NZLMACo Minutes, 15 May 1878.
4. This was a constant theme in Ritchie’s correspondence. See, for example, his letter to Edward Pearce of 13 November 1873, Ritchie Papers: "The Loan Coy are using extraordinary exertions to monopolise the trade of New Zealand both in the way of station accounts and indenting (I believe) and through the New Zealand Shipping Company."
5. Ritchie to Cunningham Smith, 26 April 1870, p. 72, Ritchie Papers.
6. QT, 1 May 1875.
For the Bank, the Loan Company was valuable as a recipient of slow debts and, occasionally, surplus deposits. The Bank, in return, passed on intelligence about customers' affairs and was notoriously anxious to feed custom to the NZLMACo. Clients requiring accommodation were encouraged to send their agency business and consignments to the Loan Company. Even Ritchie was importuned to place his firm's wool with the NZLMACo in London in 1869. "This Coy is pushed forward by the Bank here on the smallest pretext", he explained to Lewis Potter. It was also a common assertion that the Loan Company was the means by which the BNZ evaded the cartel arrangements with other banks. Clients could be supplied through the NZLMACo with inducements that were forbidden under the bank agreements, and their business secured to an organisation that seemed only notionally separate from the BNZ.

As wool prices climbed in the 1870s, the NZLMACo began a programme of vigorous expansion. Money was offered at rates that left a slender margin over the cost of the Company's borrowing in London, a procedure that required the deployment of large sums and thus intensified the competition for clients. Other merchants were obliged to reduce their customary terms on squatting accounts and found that the BNZ would not lend them money on terms that would allow them to compete with the Loan Company.

The Loan Company, through the BNZ, shamelessly touted for business. "The Bank is a regular merchant, nothing more or less" was Ritchie's warning to one client. Special concessions were offered to woo customers from rival agents. In 1873, Ritchie warned Edward Pearce that "it behoves us all to look out or we shall find out when it is too late that our connections are being seriously interfered with.

---

1 Driver had absorbed £70,000 of the Bank's funds through the Dunedin branch of the Loan Company by 1879. NZLMACo Minutes, 12 June 1879.
2 Russell to Potter Wilson & Co, 12 April 1869, p. 103, Ritchie Papers.
3 OPT, 1 May 1875. Ritchie to C.R. Blakiston, 15 November 1873, Ritchie Papers.
4 This way of operating obliged the Loan Company to unload money onto clients in a manner that was more indiscriminate than safe. In turn, this probably aggravated the inflationary trend in South Island land values. It also explains why the Loan Company appears to have acquired so many clients who had overborrowed and could not meet their mortgage liabilities from reduced farm incomes in the 1880s and 90s, their calculations having been too much influenced by an expectation that land values would continue to move upward. Cf. Ritchie to Cunningham Smith, 20 April 1870, Ritchie Papers.
5 Ritchie to Charles Meyer, 27 February 1875, p. 336, Ritchie Papers.
6 Ritchie to Lewis Potter, 20 November 1872, p. 197, Ritchie Papers: "for some time back the NZLMACo have been pushing very hard for business and offering lower terms than what hitherto been customary, we also find that some merchants have been doing the same and in order to hold our own we have resolved to reduce our terms on all squatting accounts." See also Ritchie to Cunningham Smith, 29 November 1870, p. 86; Ritchie to Edward Pearce, 13 November 1873, p. 216.
on all sides.”¹ George Gray Russell reported intense competition from the Loan Company; Napier merchants were also made uncomfortable.² The Dunedin manager of Dalgety & Co complained about "how they [the Loan Company] struggle and push after business still, leaving no stone unturned and scrupling at nothing. He says they go to their clients & try all sorts of temptations."³ While still manager of the National Bank, Larnach reported that the New Zealand Insurance Company was acting as a "go between" for the Bank of New Zealand; that is, encouraging its customers to give the Bank their business.⁴

Russell Ritchie & Co was one of the few stock and station agents, if not the only one, that banked with the BNZ in Dunedin. In 1873, however, Russell informed Latham Beal that he could not allow the account to remain there. He claimed that his hand was forced by "the Bank's mixing itself so much with the Loan and Shipping Coys and interfering with our business connections..."⁵ This move was not unexpected at the Bank. "Russell has long been disaffected and latterly inimical to us", wrote Murdoch, who believed the breach would have come much sooner, but for Beal's giving Russell Ritchie & Co terms they could not obtain elsewhere.⁶ "Now that he [Russell] has gone we will have no delicacy in walking into their business and I hope he may yet be made to cry peccavi."⁷

The latent enmity between Russell Ritchie & Co and the BNZ now flourished into open hostility and the first act in the struggle came in September 1874. With a pronounced enlargement of the Loan Company's Dunedin business clearly in view, a branch was opened in Dunedin with Henry Driver as manager. The partnership of Driver Stewart & Co was dissolved, leaving Stewart and the MacLean brothers "grumbling", and the Loan Company moved into the premises of the old firm.⁸ Driver was appointed for a term of five years at a salary of £1500 plus 10% of the net profits.⁹ He had no doubt been frustrated by the lack of capital at his disposal following his bankruptcy in 1871. The new appointment gave him

¹ Ritchie to Pearce, 13 November 1873, p. 217, Ritchie Papers.
⁴ Larnach to Adam Burnes, 26 September 1873, p. 39, Larnach Papers. Larnach complained that Guthrie and Asher had been offered a £25,000 loan at the low rate of 6%.
⁵ Russell to Latham Beal, 8 December 1873, p. 248, Ritchie Papers.
⁶ D.L. Murdoch to Larkworthy, 18 December 1873, Larkworthy Papers.
⁷ D.L. Murdoch to Larkworthy, 14 January 1874, Larkworthy Papers.
⁸ Ritchie to Russell, 17 September 1874, p. 137, Ritchie Papers.
⁹ NZLMA Co Minutes, 13 August 1874.
more freedom to invest and speculate from a position of security, and with money that would not otherwise have been available to him. He was, at all events, most eager to start work and told his directors:

I cannot too strongly express my sense of danger of being so long absent just now... a rumor is current in town of the change and our friends Ritchie Nichols and others are much alarmed and will work hard against us, but they can do no harm unless I am out of the way.\(^1\)

Larnach had earlier intimated to Ritchie that something along these lines was afoot, and when the news broke, Ritchie reported: "It is hinted that the whole thing has been brought about by Vogel in Driver's interest and at his instigation."\(^2\) Although worried by the possible injury to his business, Ritchie was sceptical about Driver's fitness for the position:

You can imagine how the Coy will fare at the hands of a man like Driver. How ever Murdoch got talked into believing that such a connection wd be of service to him - I don't know. The idea of Driver taking a billet & working and scheming as he does, & cannot help doing, for a salary & in other interests than his own, is very ridiculous... We shall see whether we are all going to be driven out of the field.\(^3\)

BNZ men, on the other hand, looked upon Driver's appointment as a great coup, despite his reputation for unmanageability.\(^4\) The new Dunedin manager, W.C. Roberts, was confident about the Loan Company's prospects in the city:

Driver takes charge and will make a stir - he will certainly make a business and those who may be interfered with by the company's operations already begin to growl in anticipation of the damage they are to receive... He is a sharp able fellow who may require a little watching.\(^5\)

---

\(^1\) NZLMACo Minutes, 7 September 1874.
\(^2\) Ritchie to Russell, 17 September 1874, p. 137 Ritchie Papers.
\(^3\) Ritchie to Russell, 17 September 1874, p. 137 Ritchie Papers.
\(^4\) Coster, however, shrewdly cautioned that the difficulty with Driver would be to "keep him in order" and prevent him leaving with the best of any business he might bring to the Company. Coster to Larkworthy, 13 January 1874, p. 101, Larkworthy Papers.
\(^5\) W.C. Roberts to Larkworthy, 28 October 1874, Larkworthy Papers.
As Roberts predicted, Driver proved "a most indefatigable fellow" in building up the Company's connection in Otago. The NZLMACo was pressed for funds in 1874 and 1875, and Driver's demands on the BNZ began to cause Roberts consternation: "Driver (so long as the Bank finds funds) will go on whether the Company has money or not & [threatens] to absorb the whole Bank in his business." Stewart of the BNZ in Melbourne agreed that Driver needed close watching:

Driver is pushing ahead in New Zealand and if he is allowed latitude will absorb all the Loan Coy's capital in Otago... Driver is a difficult man to control in these exciting times in Dunedin, and he will require some watching to keep him within bounds.

Larkworthy apparently considered that Driver was indulging in rash speculation and disapproved of some petty auctioneering he conducted in the name of the Loan Company. Murdoch assured him that he could discern no tendency in Driver to go beyond "ordinary business risk" in his transactions.

For his part, Driver made a bold show of business. His main rivals - Russell Ritchie & Co, Murray Roberts & Co, Dalgety and Cargills - were disposed to squeeze the Loan Company as much as possible. Driver responded by operating his indent and agency facilities on the slenderest margins. Good station accounts - those bringing the consignment of wool but not requiring heavy accommodation - were difficult to come by, and Driver was forced to take on some heavy risks, again at very competitive rates. For this, the Loan Company was accused of "demoralising the business horribly."

Driver resorted to other expedients for securing trade that were perhaps more deserving of such denunciation. T.C. Low brought his Hyde Home account to Driver before making a trip to Britain in 1876. When Low returned, he found

---

1 W.C. Roberts to Larkworthy, November 1874, p. 38, Larkworthy Papers.
2 W.C. Roberts to Larkworthy, 15 February 1875, Larkworthy Papers. In his letter of 12 April 1875 to Larkworthy, Roberts reported that an accountant had been sent from Wellington as a control on Driver and that all Driver's cheques would have to be countersigned in future.
3 Stewart to Larkworthy, 23 March 1875, Larkworthy Papers.
4 Stewart to Larkworthy, February 1875, Larkworthy Papers.
5 Stewart to Larkworthy, 23 March 1875, Larkworthy Papers: "Your account of the sale by auction of two bales of sausage skins in lots to suit purchasers! is only equalled by Mr Murdoch's story of the sale of some rickety furniture when he was in Dunedin which Driver was committed to. I believe he promises to exercise some discrimination in what he undertakes for the future."
6 D.L. Murdoch to Larkworthy, 15 December 1875, 11 March 1876, Larkworthy Papers.
7 Ritchie to Russell, 7 April 1877, p. 211, Ritchie Papers.
that Driver had "swindled" him in some way, and he removed the account to MacLean Brothers, who had already taken a number of Driver's valuable clients.\(^1\) MacLean Brothers sold the station to James Gall and Thomas Brydone, "to Driver's great fury".\(^2\) Driver then threatened "to move heaven and earth" to get deferred payment blocks opened on the run if Gall did not bring back the account. "Fancy the blackguard!" wrote Ritchie indignantly.\(^3\) Horace Bastings was the means by which Driver proposed to execute this piece of blackmail, and it is interesting that Driver considered that their political alliance embraced the granting of such favours.\(^4\)

Driver also caused astonishment when he provided facilities to Henry MacDonald, a working fellmonger with no capital, to buy 4,000 bales of wool. It was rumoured that Driver had a personal interest in the speculation, which may well have been true (MacDonald's obituary described Driver as a partner in the fellmongery), or that it was a ploy to bolster the New Zealand Shipping Company, then much in need of freight from Otago.\(^5\) MacDonald's woolbuying grew to such a scale that he earned the nickname of "the wool king", though he was cut down by bankruptcy in 1884.\(^6\)

For a while, Driver's efforts seemed to be paying off. In 1877 he boasted to Ritchie that he was returning £15,000 net profit to the Loan Company and offered to show him his books to prove it: "Of course", Ritchie scoffed, "this may be taken for what it is worth."\(^7\) This was almost the last of the good years. By 1879, the Loan Company directors were deeply concerned at the state of the Dunedin branch. Driver was then leaning on the BNZ to the extent of £70,000, having increased his advances by £50,000 in the space of a year. He was warned that no more of the Company's capital could be placed at his disposal and that he must maintain a restrictive policy even at the cost of diminishing his business connections in those quarters he might consider most desirable.\(^8\)

---

1 Ritchie to Russell, 12 February 1877, p. 201, Ritchie Papers.
2 Ritchie to Russell, 12 February 1877, p. 200, Ritchie Papers.
3 Ritchie to Russell, 12 February 1877, p. 201, Ritchie Papers.
5 Ritchie to Russell, 12 March 1877, p. 200, Ritchie Papers.
6 MacDonald's obituary, Otago Witness, 28 February 1906, p. 33.
7 Ritchie to Russell, 13 July 1877, p. 279, Ritchie Papers.
8 NZLMACo Minutes, 12 June 1879.
Driver's management was rumoured to have cost the Loan Company around £100,000.1 His appointment was plainly a matter of some regret to his superiors. They censured him over two large unsecured loans he had made to J.F. Kitching (lessee of Clarke's Moa Flat station) and to the Seadown syndicate of which he was himself a member.2 Driver had also encouraged Hugh McIntyre to buy £77,500 of freehold at Merino Downs and gave him an advance of £40,000.3 Although considered safe, this money was unprofitably locked up and the land proved difficult to sell. McIntyre died insane in 1884, still owing more than £35,000.4 Of more immediate worry was a cluster of Wakatipu accounts, which, from natural disasters and Driver's laxity, promised to cost the Company some £30,000 in losses.5 Sheep numbers in this district declined suddenly because of rabbit infestations and the snow of 1878. Securities had not been taken in every case and those that had been obtained were inadequate. The Loan Company took possession of these runs, but rabbits proved so destructive that the leases had to be surrendered.6

The NZLMACo had other problems in the south, not necessarily of Driver's making. Coombs & Sons' Dunedin tannery failed in 1882, owing £21,000 to the Company, and around £50,000 was tied up in the Waimea Plains and Duntroon Railway Companies.7 The Waimea Company was struggling to complete its line and had high interest payments to meet; the Duntroon and Hakataramea Railway Company had by 1884 borrowed £75,000 on a paid up capital of only £370.8 It is no surprise, therefore, that the NZLMACo wanted Driver "to use all his influence when in Wellington" to get some legislative assistance for these companies.9

---

1 Ritchie to Galbraith, 11 February 1880, p. 61, Ritchie Papers.
2 NZLMACo Minutes, 12 June 1879.
3 Much of Driver's lending was to friends and former clients like McIntyre. He also arranged a loan of £10,000 to enable his old partner, Charles Stewart, to buy Kyeburn station with F.D. Rich and J.S. McKenzie. Ritchie wrote, "I would not like to be of the partnership. A softy like Stewart, a queery one like Rich and McKenzie with no money, all in the hands of Driver. Very dangerous." Ritchie to Roberts, 21 June 1875, 625/4, Roberts Papers.
4 NZLMACo Minutes, 26 February 1880, 20 September 1882, 17 September 1884, 10 June 1885.
5 Roberts to Sanderson, 14 March 1879, p. 43, 625/33, Roberts Papers.
6 These accounts were described in NZLMACo Minutes, 25 September 1879. McArdle & Hodge - 30,000 sheep were mortgaged, but only 5,599 mustered in 1878; Hodge & Co - 30,000 sheep were mortgaged, but only 5,599 mustered in 1878; Matheson Bros (Arthur's Point) - 8,000 sheep were mortgaged, but only 4,800 mustered; McMorran - 10,800 sheep were mortgaged, but only 2,850 mustered in 1878.
7 NZLMACo Minutes, 3 July 1879. The Duntroon and Hakataramea Company owed £22,626 and the Waimea Company owed £25,339.
8 ODT. 6 October 1884.
9 NZLMACo Minutes, 3 July 1879.
When Driver's agreement with the Company expired in 1879, the directors showed no inclination to renew his contract. This may not have concerned him greatly for the New Zealand Agricultural Company had been floated and Driver had fixed his eyes on its general management. In that year, the agricultural sector entered its long recession. The cut-throat competition between the pastoral finance companies, which Driver had helped to stimulate in no small way, now evaporated as firms began to rue their earlier liberality.
CHAPTER THREE - THE NEW ZEALAND SHIPPING COMPANY AND THE HOME SHIPPING TRADE

As discussed in Part One, the traffic between Otago and Britain was divided between Shaw Savill & Co and the Albion Company in what appears to have been a comfortable arrangement. Three firms of the "inner circle" acted as agents for these companies - Russell Ritchie & Co, Cargills & Co and Dalgety & Co. In 1873 the equilibrium of the shipping trade in Otago was rudely disturbed by the advent of the New Zealand Shipping Company (NZSCo). The launching of this concern was hailed as a sign of the colony's growing economic importance and its ability to stand on its own feet in international commerce. It was hoped that this locally-owned and managed institution would soon crush the hated Shaw Savill monopoly; a monopoly that Vogel had identified as a political target and that reminded colonists, in a most irritating way, of their dependence on foreign capital.

For many in the business world, enthusiasm for the new venture was dampened by a perception that it signalled a further extension of the BNZ's influence over the cycle of commerce. John Cargill held the view that, under the guise of destroying one monopoly, the intention behind the new company was to create another under the control of the NZLMACo:

Perhaps it may not be more apparent to others than it is to myself how the various interests affected would be benefited by centering in one monopolising company, directed from London, every department of business, including banking, shipping, insurance, home agency and ship owning.\(^1\)

Subsequent events were to show that these reservations were amply justified. There was also apprehension in Dunedin that the NZSCo would compete with the USSCo, although the two concerns largely operated in different markets at this stage.\(^2\)

For as long as it remained a colonially-managed enterprise, the NZSCo rode on the shoulders of the BNZ and its satellites. The Loan Company provided one

---

\(^1\) ODT, 12 February 1873.

\(^2\) Otago Guardian, 5 December 1873. The Shipping Company did run steamers along the coast in 1876. Ritchie to Galbraith, 25 September 1876, p. 107, Ritchie Papers.
tenth of the initial share capital. By leaning on their constituents, the Bank and
the Loan Company both played a critical role in feeding trade to the NZSCo. In
Parliament, the Bank helped it to secure vital contracts for the carriage of
emigrants and railway plant. Plunged immediately into heavy indebtedness from
which it showed little sign of emerging, the NZSCo borrowed deeply from the
BNZ, the NZLMACo and the New Zealand Insurance Company. Its directors
were, on the whole, sympathetic towards the BNZ, if not actually nominees of the
Bank and the Loan Company.

It was with good reason, then, that the inner ring of the BNZ clique was
confident from the outset of dictating the NZSCo's progress. Murdoch wrote in
1874: "I am not at all afraid of the Shipping Company getting out of our control so
long as we maintain such a large interest in it and can influence such an amount of
support." At least initially, these men reposed great confidence in the Company's
managing director, John Lewis Coster, and his ability to work the business in their
interest. This remarkable man was the son of an English doctor. He entered the
service of the Union Bank in Australia and married Ellen Henty, a daughter of the
great pioneering and mercantile family of Geelong with whom the Neill family of
Dunedin had business connections. After moving to New Zealand, he left the
Union for the infant Bank of New Zealand and represented the Bank and the Loan
Company at Lyttelton and later at Christchurch. Whatever might be said against
him, Coster certainly possessed flair. He might be seen dashing from his Opawa
home "in a brougham drawn by a handsome pair... always immaculately dressed
in silk hat and frock coat, with a silk handkerchief protruding correctly from his
pocket", or relaxing in the Christchurch Club, indulging his famous weakness for
champagne. His wife was no less a creature of fashion and conveyed herself
around town in a trap drawn by two Shetland ponies scarcely bigger than dogs.
Their marriage, unfortunately, was not without unhappiness. In 1877 Ritchie
reported the circulation of "very dicky rumours about [Coster's] morals":

I hear Coster's domestic arrangements are very bad. He has been
going after women, & lately his wife got suspicious & watched

1 NZLMACo Minutes, 25 October 1872.
2 Murdoch to Larkworthy, 14 March 1874, Larkworthy Papers.
3 Murdoch to Larkworthy, 5 December 1873; Charles Taylor to Larkworthy, 23 October 1879, Larkworthy
Papers.
5 Douglas Cooke to Larkworthy, 11 September 1878, Larkworthy Papers.
6 Ritchie to Russell, 10 January 1878, p. 15, Ritchie Papers.
him in some way, and there was a great row. He is an awful scamp...

Coster's imagination was captured by large and extravagant projects. His recklessness was astonishing even to such a man as Henry Driver. He was persuasive and guileful; a popular figure in Christchurch society to whom, it seemed, success came easily. "... Mr Coster is a man who could do anything", wrote one admirer. And even Ritchie was forced grudgingly to admit, "[h]is ambition is great - but so is his ability".

Those who had experience of Coster in business matters were often exposed to a darker side of his character. He was undoubtedly a ruthless schemer. W.A. Low declared him to be "a sharper and great cheat", an opinion shared by others, and the

Murdoch once wrote in exasperation, "Coster is as Johnny Jones used to say a perfect enema to me - nothing must stand in the way of his working out his own plans, to accomplish which he will stab his dearest friends." There was probably no man for whom Ritchie nursed a greater hatred:

If there is a limbo in Hades or Purgatory where respectably dressed Commercial knaves are sent to wander, I feel sure Master Coster will be found there dancing on hot plates by and bye.

Coster was the inspiration and driving force behind the New Zealand Shipping Company. It became for him a consuming passion, the strain of guiding it through its regular crises eventually undermining his health. As early as 1870 he applied, unsuccessfully, for the assistance of the Loan Company in starting a new shipping company. The NZLMACo already chartered some of its own vessels and it seemed logical to put this branch of its business on a permanent footing. Two years later conditions were more favourable. High freights and widespread resentment of the SS&Co had by then led to the formation of freight associations in

---

1 Ritchie to Russell, 18 August 1877, p. 302, Ritchie Papers.
2 Ritchie to Russell, 20 July 1877, p. 274, Ritchie Papers.
3 Douglas Cooke to Larkworthy, 11 September 1878, Larkworthy Papers.
4 Ritchie to Galbraith, 19 May 1881, p. 395, Ritchie Papers.
5 Ritchie to Russell, 7 April 1877, p. 212, Ritchie Papers.
6 Murdoch to Larkworthy, 29 October 1874, Larkworthy Papers.
7 Ritchie to Russell, 19 October 1875, p. 3, Ritchie Papers.
8 NZLMACo Minutes, 11 January 1870.
Dunedin, Christchurch and Wellington. Merchants, squatters and importers made up these bodies, their aim being the creation of a rival company at least partly owned by New Zealand interests. The germ of such a company already existed in Auckland in the shape of the New Zealand Freight Company. This enterprise was supported by the BNZ and had John Logan Campbell as its chairman.¹

The first impulse of the Dunedin freight movement was to approach Galbraith with a plan to increase sailings to Port Chalmers and Bluff and to open a line from London. It was left to Falconer Larkworthy and the NZLMACo to communicate the views of the Otago association. This perhaps ensured the failure of the negotiations, for it seems that the Loan Company was intent upon securing the agency of the new shipping company for itself. Galbraith, however, would not countenance any disturbance of his existing agency arrangements in Otago.² He decided instead to raise more capital for an expansion of the Albion fleet and offered to make a large proportion of shares available to shippers and importers. This proposal arrived too late to prevent members of the association throwing their support behind the new Christchurch venture. Galbraith hoped it would be possible to place 30,000 shares in New Zealand. It seems unlikely that this target was reached or that many Otago shippers became tied to the Albion Company by becoming shareholders.³

Aside from the £10,000 of stock taken up by the Loan Company, without which the company would probably not have floated, the NZSCo attracted a wide range of investors.⁴ Its early management nevertheless reflected the control of the BNZ. Coster was, of course, the first chairman. With him on the board were Logan Campbell and two Loan Company officials, Reginald Cobb and Samuel Revans.⁵ Another director, J.T. Peacock, owned a sizeable fleet of ships himself. His business had collapsed in 1866, with debts of £220,000.⁶ Also involved in the collapse was a fellow director of the NZSCo, Charles Wesley Turner. While Christchurch manager of the Bank of New South Wales, Turner apparently made

² ODT, 12 February 1873.
³ Ritchie to Galbraith, 14 March 1876, p. 49, Ritchie Papers.
⁴ NZLMACo Minutes, 25 October 1872.
⁵ Cobb appears to have been a connected by marriage to Selwyn Smith. He died of cow fever shortly after the Company was formed. NZLMACo Minutes, 12 September 1873.
⁶ Ritchie to Cunningham Smith, 4 June 1867, p. 216, Ritchie Papers. A later director, John Evans Brown, married a sister of Peacock.
large advances to Peacock & Co.\textsuperscript{1} After resigning from the Bank's service under a cloud, he became a partner in the firm. He had, or came to have, large personal liabilities to the BNZ. The general manager was Harold Selwyn Smith, who was procured at great expense from Melbourne.\textsuperscript{2}

Ritchie predicted a short career for the New Zealand Shipping Company. "You will find the Coy will gradually die as far as this port is concerned", he assured Savill in 1873, and he took vigorous action to make sure this prophecy would be fulfilled.\textsuperscript{3} Ritchie's tactic was to starve the Shipping Company of profit. If SS&Co and Albion slashed their rates, the new company would have to follow suit. Its shareholders, who were already worried by the extent to which Coster had committed them to buying ships, would be bled for calls and the concern must inevitably collapse. They would then see that they had "been swindled by the Bank of N.Z.: And any reconstruction would be on an honest & legitimate basis."\textsuperscript{4}

The plan worked well. The Shipping Company sustained a loss of £14,000 on its first year of operation and its future hung in the balance.\textsuperscript{5} But the reduction in freights also injured the profits of the older firms. When Coster and Larkworthy parleyed for a cessation of the freight war, they could at least play upon the discomfort their rivals were suffering. They assured Galbraith and SS&Co that they earnestly desired a profitable and gentlemanly working of the trade.\textsuperscript{6} Their blandishments were readily believed. An agreement was reached setting minimum freights for the homeward traffic. It was Galbraith's naive hope that the competition would be one of influence only "and not a beggar my neighbour policy".\textsuperscript{7} He wrote to Ritchie counselling "a wide spirit of charity" and hinting that "feeling" had led Ritchie to instigate the downward tendency in freights.\textsuperscript{8}

Ritchie regarded the agreement as a serious blunder. Through Coster's misrepresentations and his own lack of understanding of the New Zealand situation, Galbraith had lost his best opportunity to stifle the progress of the Shipping Company. Instead of a sharp competition, which would have settled the

\begin{footnotesize}
\begin{enumerate}
\item K. Sinclair and W.F. Mandle, \textit{Open Account}, p. 50.
\item H. Selwyn Smith, "The New Zealand Shipping Company Ltd, and the late General Manager: a letter to the shareholders", Sydney, 1880, CP 37/9, Hocken Library.
\item Ritchie to Savill, 29 October 1873, p. 210, Ritchie Papers.
\item Ritchie to Galbraith, 13 January 1876, p. 26, Ritchie Papers.
\item \textit{Evening Star}, 15 March 1875.
\item Coster to Larkworthy, 26 October 1874; S. Revans to Larkworthy, 26 September 1874, Larkworthy Papers.
\item Ritchie to Galbraith, 22 September 1874, p. 308; 29 September 1874, p. 296, Ritchie Papers.
\item Ritchie to Galbraith, 17 December 1874, p. 319, 20 January 1875, p. 328, 29 September 1875, p. 377, Ritchie Papers.
\end{enumerate}
\end{footnotesize}
matter at some short term cost, there would now be "an animal bleeding to death of all in the trade". Ritchie maintained that the Shipping Company could never be trusted to adhere to such an agreement. "I find that charity does not pay here with the Shipping Coy", he told Galbraith. "You cannot believe the guiding spirit - Coster - half the distance you could throw him". Frustrated at having his hands tied from London, there was little Ritchie could do except have "a good stare" at Coster, "[b]ut of course he took no notice."

As Ritchie had foreseen, the agreement had little effect on the struggle for business save that of providing the Shipping Company with valuable breathing space. Russell Ritchie & Co, Cargills and Murray Roberts & Co could always be relied upon to ship with the Albion Company, but there remained a group of wool shippers, including Dalgety, Rattray, Joseph Clarke and Robert Campbell, whose allegiances were negotiable. Immediately disregarding the agreement, the Shipping Company attempted to collect the business of the second group by offering them secret concessions.

Robert Campbell, with his 5,000 bales, was the Shipping Company's main support in 1873. Thereafter, he was offered inducement in the form of below-standard rates to ensure that he remained with it. When his attorney, Alexander Campbell Begg, sold his shares in the NZSCo in 1876, there was optimism that Campbell was preparing to abandon it. But Ritchie was sure the Campbells would do as much as they could to perpetuate the competition when there were such large savings to be gained. "I believe the Coy would take it [Campbell's wool] for almost nothing, to make a show. They can't bear to seem to go back." In 1878 Robert Campbell senior sent instructions to his son to have nothing further to do with the Shipping Company, but these arrived too late to prevent Campbell junior from taking new shares and a seat on its board, which he occupied for the next ten years.

---

1 Ritchie to Galbraith, 13 January 1876, p. 26, Ritchie Papers.
2 Ritchie to Galbraith, 29 September 1875, p. 377, Ritchie Papers.
3 Ritchie to Galbraith, 9 July 1874, p. 268, Ritchie Papers.
4 Ritchie to Russell, 22 December 1874, p. 193, Ritchie Papers.
5 Ritchie to Galbraith, 21 August 1876, p. 104, Ritchie Papers: "Murray Roberts & Co have always been loyal to us in spite of the arts of the Shipping Co." See also Ritchie to Leslie, 5 August 1881, p. 348, Ritchie Papers; John Sanderson to Roberts, 5 May 1882, 24 March 1882, 625/33, Roberts Papers.
6 See Appendix 45, Volume Two.
7 Russell to Galbraith, 30 October 1873, p. 241, Ritchie Papers.
8 Ritchie to Russell, 5 January 1877, p. 165, Ritchie Papers.
9 Ritchie to Russell, 10 January 1878, p. 15, Ritchie Papers.
Dalgety Nichols & Co was a disappointment to Ritchie. As agents of Shaw Savill & Co, Dalgety pulled hard against the Shipping Co at Lyttelton, but seemed disinclined to do the same at Otago. In 1874 Nichols was lured to the Shipping Company by its cheaper rates. He filled a Shaw Savill vessel in December of that year and it seemed he would charter independently for the coming wool season. Coster set to work, however, and began interfering with Dalgety's constituents. "Big" Clarke was induced to ship with him and Nichols apparently succumbed to the pressure and sent the rest of his wool by the Shipping Company.  

In 1876 Ritchie was confident that he had secured both Dalgety and Rattray for the new season. But Selwyn Smith came to Dunedin "buzzing about for wool" and the freights were driven down still further. Clarke, Campbell and Dalgety were snared by the Shipping Company and Rattray also defected from the Albion. "He would have shipped with us but thought we would not give the concession", reported Ritchie, who consoled himself with the observation that "Rattray is a crooked fellow, not nice to deal with at all."  

The New Zealand Shipping Company had previously managed to keep its concessions fairly secret, but in 1876 news of the reductions offered to these Otago shippers leaked out and caused trouble for the Company at other ports. Wool consignors who were in the hands of the BNZ and the Loan Company could not threaten to take their business away from the Shipping Company. The large, independent shippers, however, like Miles & Co, demanded equivalent concessions and Coster was obliged to grant them. For that year, at least, his double-game backfired.  

Ritchie was thoroughly disgusted with what he saw as the demoralisation and disorganisation of the shipping trade. He used the opportunity of a meeting with Selwyn Smith to speak his mind: "I was so rough on Smith about Shipping Coy's matters generally and Coster in particular that he, I know, feels very sore." There were now problems occurring in unexpected quarters. The continued loyalty to Galbraith's ships of the Glasgow-owned New Zealand Meat Preserving Company had been cast in doubt in 1873 when the Company's account was moved from the National to the BNZ. The BNZ had offered lower terms and Ritchie knew

2 Ritchie to Russell, 21 August 1876, p. 98, Ritchie Papers.  
3 Ritchie to Russell, 21 November 1876, p. 147, Ritchie Papers.  
4 Ritchie to Galbraith, 16 December 1876, p. 121; Ritchie to Russell, 18 December 1876, p. 157, Ritchie Papers.  
5 Ritchie to Russell, 11 October 1876, p. 115, Ritchie Papers.
that "Wotherspoon [the chairman of the Company] is a little slippery & probably finance may be of some moment to him."\(^1\) It was also a move designed to bring the Meat Company's produce to the NZSCo. As a banking proposition the risk involved in this account was considerable, but Murdoch saw its acquisition as driving a wedge between Russell Ritchie & Co and its Glasgow connections, and valued it accordingly.\(^2\)

There was trouble again in 1876. William Moody, the Meat Company's manager in New Zealand, had been speculating heavily in land. He was backed by the BNZ and, according to some sources, he was also misappropriating the Meat Company's funds for this purpose. Ritchie now found that Moody was doing everything in his power to influence the meat consignments to the NZSCo. After several meetings to reorganise the Meat Company's chaotic finances, Ritchie lost patience with Moody's evasiveness: "He... blackguarded me, & I called him a 'wet fooled rat' & told him never to set face in our office again."\(^3\)

Even the New Zealand & Australian Land Company was not immune from Coster's overtures. In 1877 Ritchie wondered whether he would have to strike a special rate with the Land Company in order to retain its business. W.S. Davidson seemed to have no great regard for the historic tie between his company and the Albion and even suggested calling tenders for the carriage of the Land Company's wool in 1879. Ritchie attributed his attitude to excess zeal or the "lack of enough to do."\(^4\) Again, in 1883, Ritchie discovered:

\[\ldots\] that vagabond Coster has been assiduously plying Davidson of the Land Co. about his wool... Davidson is a weak fellow in many ways & I have little doubt that my letters will have the effect of changing his mind on the subject.\(^5\)

The large importing houses were also involved in breaches of the agreement. In 1875, for example, Guthrie & Larnach and MacNeil of Briscoes bound themselves to the Shipping Company because of the concessions they had been offered. MacNeil was almost apologetic that he had done so and claimed to prefer

---

1 Ritchie to Galbraith, 14 April 1874, p. 248, Ritchie Papers.
2 Murdoch to Larkworthy, 18 December 1873, Larkworthy Papers. Galbraith and Denny countered this threat by taking shares in the Meat Company and joining its board.
3 Ritchie to Russell, 29 July 1876, p. 86, Ritchie Papers. In a letter to Russell on 15 September 1876, p. 108, Ritchie mentioned that "the stories about the way he (Moody) uses his wife are extraordinary."
4 Ritchie to Galbraith, 4 November 1879, p. 2, Ritchie Papers.
5 Ritchie to Galbraith, 28 December 1883, p. 59, Ritchie Papers.
the Albion Company, but the terms Coster had given him were so advantageous that "we were driven to throw ourselves into the arms of the very people whom I hate like poison to deal with!" Guthrie assured Ritchie that he would not "waste an hour and a half with a man like Coster" unless there was some significant benefit to be had.

The freight agreement had plainly achieved little for Galbraith. Ritchie pointed this out at every opportunity, partly, one suspects, because he was put out that his original advice had been disregarded. The competition continued as bitterly as before, but in a clandestine way, which let the Shipping Company take the initiative: "The evidence is simply irresistible that by sticking to the agreement you have been taken in on all hands, and I am very sorry that the knaves who have proved false should have got so much advantage to your detriment." The need to fill chartered ships within certain time limits led the Shipping Company into some breaches of the arrangement. It was also Coster’s belief that Shaw Savill was no more scrupulous in observing it. But Coster, with his desire to make a show of business at any price, was clearly the main villain.

The constant cutting of freights to attract uncommitted shippers appears to have dragged down the general rate to almost unremunerative levels. Although this did nothing to place the Shipping Company’s finances on a sound footing, it caused distress to its rivals, who were reluctantly forced to match the lower rates. By 1877 all the parties were prepared to enter another agreement in an effort to hold up freights at a more profitable level. The NZSCo immediately broke this agreement in a contract with Briscoes. It also bound itself to make a private concession of 10% to Miles Hassall & Co and the NZLMACo, which of course placed the latter in a strong position to compete for wool accounts. It seemed to Ritchie that his principals had learned nothing from the previous three years: "Upon my word S.S. & Co & he [Galbraith] are long of taking a lesson." In later years there were fewer signs of the bitter competition that had taken place under the first agreement. But by then, at great financial risk and by often questionable

---

1 Ritchie to Galbraith, 19 October 1875, p. 1, Ritchie Papers. For a different version of the negotiations, see Coster to Larkworthy, 27 September 1875, Larkworthy Papers.
2 Ritchie to Galbraith, 19 October 1875, p. 2, Ritchie Papers.
3 Ritchie to Galbraith, 19 October 1875, p. 2, Ritchie Papers.
4 Coster to Larkworthy, 18 January 1876, p. 160, Larkworthy Papers.
5 Ritchie to Russell, 20 July 1877, Ritchie Papers.
6 NZLMACo Minutes, 10 October 1878; 7 November 1878.
7 Ritchie to Russell, 20 July 1877, p. 273, Ritchie Papers.
means, the Shipping Company had been established as a major force in the wool trade.

Dunedin Support for the New Zealand Shipping Company

The New Zealand Shipping Company captured from the Freight Association some important Dunedin supporters. The members of the local Dunedin directorate were Evan Prosser, James Scoullar, George Turnbull, Larnach and J.B. Mudie, the local manager. Russell asserted that inexperience had led these men to join the Company and that they would soon become disenchanted with the way it was managed: Otago merchants would not long be content to play second fiddle to Christchurch in such an undertaking. The ODT, always an ardent believer in the Albion line, was quick to express regret that "a certain section of our mercantile community has been induced to support a Company which will use its best endeavours to restrict shipping operations in Dunedin and to enhance the trade of Lyttelton". There were signs, too, of conflicts between the local directors. Mudie's appointment was controversial. Robert Campbell resented Prosser's appointment as chairman and remarked that Prosser would be better selling quack medicines, an unkind allusion to his earlier career as a goldfields' chemist.

George Turnbull quickly fell out with the NZSCo. In 1873 he embarked on a large wheat speculation using Shipping Company vessels. The venture was a complete disaster and Turnbull lost about £6,000 by it. To make matters worse, he found that the Shipping Company had "slated' him entirely", presumably by concealing from him the rates they had offered to Canterbury shippers. Thereafter, Turnbull refused to give any of his business to the Company. When he attempted to recover his losses by further speculations, he chartered with Shaw Savill & Co, thus prompting calls for his resignation. Turnbull was credited with having participated in a small flurry of newspaper correspondence directed

---

1 Among those who actually took shares were: Keith Ramsay (fifty shares), W.H. Reynolds (100), Ross and Glendining (200), James Scoullar (200), George Turnbull (200), Richard Oliver (200), George M'Lean (100), John M'Lean (200), Evan Prosser (300), Guthrie and Larnach (275), Robert Campbell and G.F. Reid. New Zealand Shipping Company Share Register, Alexander Turnbull Library.

2 Russell to Galbraith, 8 July 1873, p. 212, Ritchie Papers.

3 ODT, 5 July 1873.

4 Ritchie to Russell, 6 May 1876, p. 66, Ritchie Papers.

5 Ritchie to Russell, 24 November 1874, p. 177, Ritchie Papers.

6 Ritchie to Russell, 3 May 1875, p. 245, Ritchie Papers.

7 Ritchie to Russell, 9 February 1875, p. 208, Ritchie Papers.

8 Evening Star, 10 February 1875.
against the NZSCo in 1875. These letters complained mainly of misrepresentations made when the NZSCo was floated, the favours bestowed on Christchurch shippers and the harm caused to Dunedin commerce by the running of NZSCo steamers along the coast. Another common allegation was that the Company's affairs were being manipulated by the shippers who had taken shares. While they made large savings from the exceptionally low freights, others who had hoped for a dividend on their investment were left in the cold. In 1875 the Dunedin board also protested strongly against the calling up of capital beyond the level indicated in the prospectus. Murdoch was not surprised at these grumblings from the south. Dunedin, he told Larkworthy, was a place where "adverse influences are at work."4

If Dunedin shareholders were displeased by the early losses of the NZSCo, they were hardly more impressed by Coster's announcement in 1876 that the Shipping Company was able to pay a dividend: "A great many people are talking about the last balance sheet of the Shipping Coy. The unanimous opinion openly expressed is that it is a perfect in take."5 The dividend created a mild demand for NZSCo shares (which had previously been selling at 20% discount, when buyers could be found). Campbell, Scoullar, Glendining and others took this opportunity to quit their shares - "the swindle of the last meeting is too apparent."6 Ritchie noted that Guthrie had been "going round blackguarding Selwyn Smith" and in 1877 Evan Prosser resigned his directorship in disgust:7

[Prosser] said they over-ruled the local Board here in everything until the members got disgusted, and all sold out their shares except himself, and he is now very sore he did not do so too. He says the Company is working entirely for the interests of the Loan Coy & Bank of N.Z. and not for shareholders and he thinks of

---

1 Ritchie to Russell, 11 March 1875, p. 219, Ritchie Papers.
2 Otago Guardian, 10, 13, 15, 17, 18, 24 February 1875. Prosser and an unidentified correspondent, possibly Reynolds, attempted to come to the Company's defence. Turnbull may have been the author of a letter signed "Wheatshipper" in the ODT 3 April, 1874. See Appendix 46, Volume Two.
   Ritchie to Galbraith, 25 September 1876, p. 107, Ritchie Papers: "the Shipping Company Must change in some way. Shareholders here have all sold and the feeling against it is very bitter because of the equalising of outward rates. [Port Chalmers formerly enjoyed cheaper rates than Lyttelton] Big firms get no advantage they say. I can't see how it can stand long Bank of NZ behind it notwithstanding."

3 Dunedin Board Minutes of the New Zealand Shipping Company, 30 July 1875, Alexander Turnbull Library.
4 D.L. Murdoch to Larkworthy, 30 August 1875, Larkworthy Papers.
5 Ritchie to Russell, 12 September 1876, p. 108, Ritchie Papers.
6 Ritchie to Russell, 21 August 1876, p. 96, Ritchie Papers.
issuing a circular to the shareholders telling them how they are being sacrificed.\(^1\)

Prosser believed that Coster, the Loan Company or the Shipping Company itself had bought up the 2,000 shares sold in Dunedin.\(^2\) In August 1877 he was ready to "rush into print" and there appeared shortly afterwards in the *ODT* a scathing criticism of the Shipping Company's accounts.\(^3\) Prosser's alienation probably left Robert Campbell (who had bought new shares) as the only significant shipper in Otago who still had a stake in the Company, and A.C. Begg confessed that this was purely to exploit the low rates and not out of any confidence in its future.\(^4\)

## The Emigration Traffic

After the commencement of Vogel's public works and immigration policy, the carriage of emigrants and government freight became a crucial part of the home trade's outward leg. Because of its BNZ backing and the presence of its own representatives in the Legislature, the NZSCo enjoyed privileged access to this lucrative traffic. The Company was founded in the expectation of receiving extraordinary treatment from the Government. Coster made overtures for a monopoly as early as 1871.\(^5\) Shortly after the Company was begun, it received exclusive rights to the transportation of government passengers and cargo for a period of six months.\(^6\) This contract was sealed without giving rival companies the chance to compete. It was well known that Shaw Savill would have offered extremely low rates to secure this business, and the terms granted the NZSCo were criticised by the *ODT* as "considerably in excess of those which could have been got in the ordinary course of business".\(^7\) The *Daily Times* regarded such nurturing of a joint stock company at the expense of the colony as highly improper and detrimental to the successful working of the immigration policy. Any attempt to effect a reasonable arrangement with other companies had apparently been

---

\(^1\) Ritchie to Russell, 9 January 1877, p. 167, Ritchie Papers.
\(^2\) Ritchie to Galbraith, 21 August 1876, p. 105; Ritchie to Russell, 9 January 1877, p. 167, Ritchie Papers.
\(^3\) Ritchie to Russell, 18 August 1877, p. 302, Ritchie Papers. See also Appendix 46, Volume Two.
\(^4\) Ritchie to Russell, 11 October 1876, p. 116, Ritchie Papers. However, Turnbull must have retained his shares because they appear in his list of assets when he became bankrupt.
\(^5\) *AIHR*, 1872, D-1, p. 22.
\(^6\) *AIHR*, 1873, D-1, p. 91.
\(^7\) *ODT*, 28 July 1873.
"frustrated by means of influences which it was scarcely within the power of our rulers to withstand."¹ This line of argument might almost have come from the pens of Savill and Temple themselves. They wrote to their Auckland agents:

Now, whatever faults we have, and however the clients of the Bank of New Zealand may complain of us, we venture to say that we have at all events conducted the emigration business of the Government both safely and well... We do not wish to make any comments, but would merely remark that to support the Company got up by the Bank of New Zealand, by the lavish expenditure of the public funds... is, to say the least of it, a very curious mode of conducting the Government business.²

This patronage was vital in giving the NZSCo a start. As Ritchie commented in 1874: "If the Govt business is put up to public tender, it would be a sad blow for them - for as we see, this alone keeps them going at present."³ The Shipping Company's loss on its first year arose from the failure to fill its chartered vessels profitably for the return voyage. Unwilling to risk a recurrence of this situation, the Company was content to take three fifths of the Government's cargo and passengers from London during 1874 and 1875.⁴ The London to Port Chalmers traffic was shared between the Shipping Company and the Albion Company.⁵

In mid-1875 Larkworthy wrote to Coster with the encouraging news that Vogel was likely to offer the whole of the emigration business to the Shipping Company. Obviously delighted, Coster replied that he was ready to take all the Government's passengers on any terms short of actual loss. An eighteen-month or two-year contract from Vogel "would be a grand thing for us and we could afford to make concessions."⁶ The monopoly was indeed granted for six months, but when it came to the test, the London board of the Shipping Company declined to take the risk of large-scale chartering and shared a significant portion of the business with Shaw Savill & Co.⁷

The next year, at Coster’s instigation, the Government again excluded SS&Co from its shipping arrangements, despite the fact that this company was prepared

---

¹ ODT, 28 July 1873.
² SS&Co to Owen & Graham, 16 May 1873, AIHR, 1873-D-11, p. 2.
³ Ritchie to Galbraith, 17 February 1874, p. 240, Ritchie Papers.
⁴ AIHR, 1874 D-1, p. 17. These were the peak years for assisted emigration.
⁵ AIHR, 1874 D-1, p. 22.
⁶ Coster to Larkworthy, 5 June 1875, Larkworthy Papers.
⁷ ODT, 20 August 1875. Murdoch to Larkworthy, 30 August 1875, Larkworthy Papers.
to tender at rates that would have caused a loss.\(^1\) This left the Shipping Company in full possession of the London emigration from May 1876 to November 1877, with the Government having the option to extend the contract until August 1878.\(^2\) All emigration from the Clyde was to remain with the Albion Company, but Galbraith was unhappy with the terms. Although passengers were carried at almost uneconomic rates by both companies, the NZSCo received profit from government cargoes, which were charged at 30% and more above current rates.\(^3\) The Shipping Company's exclusive contract was renewed in 1880 by which time, of course, the rush of assisted immigration had subsided.\(^4\)

This government favouritism was not easily justified. Ritchie had an opinion as to what lay behind it. The Bank of New Zealand, he thought, had "been straining every nerve" to give the Shipping Company assistance while the government expenditure on immigration continued:\(^5\)

> ... the funds are running short &... Vogel sees he must stop sending out Emigrants. Russell the B. of New Zealand man is no doubt in on the secret, & therefore used his every influence with Vogel to get what remained, being very deeply interested in the Shipping Co....\(^6\)

The sensitivity to possible interference in immigration affairs was further demonstrated by an incident in 1875. Displeased with Featherston's reluctance to ship emigrants from Scotland, the Provincial Government decided to revive its own programme of assisted emigration to Otago through its Edinburgh agency. No doubt fearful of losing support in the south, Vogel moved quickly to assume the expense thus incurred by the Province. The Scottish agency continued to organise, on behalf of the New Zealand Government, sailings of Albion ships from the Clyde.\(^7\) After Vogel became Agent General, however, the Emigration Agent in Edinburgh caught wind of a plan to shut the office there and divert emigrants through London, whence they would be carried by the New Zealand Shipping

---

\(^1\) Coster to Larkworthy, 6 April 1876, Larkworthy Papers.
\(^2\) AIHR. 1876, D-1, p 20; AIHR. 1877, D-2, p. 24; AIHR. 1877, D-3, p. 1.
\(^3\) AIHR. 1877, D-2, p. 26. Galbraith did not accept the Clyde emigration until May 1877.
\(^4\) AIHR. 1880, D-1, pp. 14, 15.
\(^5\) Ritchie to Russell, 30 August 1875, p. 45, Ritchie Papers.
\(^6\) Ritchie to Galbraith, 30 August 1875, p. 371, Ritchie Papers.
\(^7\) AIHR. 1873, D-1, pp. 11, 26, 30. The New Zealand Shipping Company had applied for a share of the Province's emigration and freight business, but was consistently snubbed - see, for example, the report of the local board meeting, *Evening Star*, 15 March 1875.
Company. On receipt of this news, the Provincial Government immediately wired instructions to the Scottish Agency to continue sending passengers at provincial expense. Macandrew made anxious enquiries about the Government's intentions and Ritchie advised Galbraith:¹

No doubt it is another bit of Vogelism for the Bank of N.Z.'s interest. I hear they are in despair about the Shipping Co. & their advances to them are pinching badly. Vogel is thoroughly under their thumb, they will stick at nothing to try & recover their desperate position. I hope it may not be so glaring a piece of work as it looks like - but if it is so, the people here will be savage. Only if Parliament is out of session their howls will be quite impotent, and no doubt Vogel has considered all this, & so have the B. of N.Z. and neither cares what is done so long as the end is gained...²

The Colonial Government disclaimed any knowledge of such a plan and, indeed, it is possible that it was never seriously entertained. The Scottish Agency remained in operation until it was closed by Vogel in 1879.

Special privileges continued to be sought by the Shipping Company in the 1880s. This was the decade in which the colonial shipping industry entered a new phase with the introduction of a direct steam service to England. The cost of buying suitable vessels for this trade and the uncertain profitability of the investment were intimidating obstacles for the shipping companies. It was generally understood that a direct steam service could not be undertaken without some form of government guarantee or subsidy and an agreement between the companies as to a joint working of the trade.³ Galbraith had considered starting a line of steamers in 1869 and 1878, and Macandrew tried unsuccessfully to get him a subsidy in 1881.⁴ Public demand for regular steamers remained strong and, with the prospect of a large frozen meat trade, the transition to steam seemed inevitable.

Predictably, the first bold step towards a full-scale service came from Coster. In the face of strong opposition from several of his directors, one of whom resigned over the matter, he obtained in 1882 authorisation to increase the

¹ Parliamentary Debates, 15 October 1875, pp. 475, 477.
³ See, for example, Parliamentary Debates, 7 August 1883, pp. 377-378.
⁴ James Galbraith to Otago Agents, 27 February; 24 November 1869, OP 1/8, No. 280, National Archives. Echo. 24 September 1881. There was, of course, the joint charter of the "Stad Harleem" in 1878, which resulted in a loss to the parties involved. See also AIHR, 1882, F-4.
Company's capital by £750,000 to a total of £1m, and the building of the first steamers was commenced. Shaw Savill and the Albion Company acted more conservatively and strengthened themselves for the change to steam by amalgamating. The expansion of the Shipping Company was also unsettling for the USSCo. Mills feared that if Coster could obtain sufficient finance, he would begin competing in the local trade "and make a mess of everything!"\(^1\)

In 1883, there were negotiations between the new Shaw Savill & Albion Co (SS&A), the New Zealand Shipping Company and the Government over a division of the service and a government undertaking as to cargoes and passengers. These ended without agreement. Coster made out that Shaw Savill and Albion had deliberately frustrated the talks in order to stall the introduction of a steamer service.\(^2\) It is more likely that he wanted the Shipping Company to act on its own, regardless of the risk involved. Coster submitted a new proposal to the Government and received terms that were significantly more favourable than those offered in the tripartite talks with SS&A.\(^3\) The Government hurriedly concluded the contract after receiving a lower tender from SS&A and suffered some embarrassment in having it ratified by Parliament. Henry Driver, supported by almost a block vote of the Otago members, forced a re-examination of the agreement by Select Committee.\(^4\) This Committee did not recommend the contract, but left the arrangements for the coming year to be concluded at the Government's discretion. SS&A, uncertain of the patronage it might receive from the government, was nevertheless obliged to commit itself to starting a competing service.\(^5\)

Coster's handling of the steamship question was his last and most spectacular triumph. The venture was launched with brilliant publicity stunts. His Royal Highness the Prince of Wales visited the SS "Ionic" and Mrs Lily Langtry attended the launching and trials of the "Tongariro".\(^6\) Captain Hallett, a friend of the Prince and commander of the royal yacht, was made captain of the "Tongariro". He

---

1 Ritchie to Galbraith, 6 November 1884, p. 231, Ritchie Papers.
2 Lyttelton Times, 15 August 1883. Ritchie to Levin, 23 November 1883, Ritchie Papers.
4 Driver's hostility to a BNZ-related company is perhaps to be explained by a letter from Vogel to Fuller, 17 January 1883, Outwards Correspondence, Vol. 4, Vogel Papers. This suggests that Driver and Vogel were involved in arranging a rival tender. Thomas Bracken opposed the contract because there was no guarantee of sailings to Port Chalmers. Evening Star, 7 May 1887.
5 Ritchie expressed the position to Galbraith thus: "...the point all along has been that if you did not more or less keep up with his [Coster's] recklessness you ran the risk not only of losing the trade, but helping to justify his actions..." Ritchie to Galbraith, 28 December 1883, p. 57, Ritchie Papers.
6 Otago Witness, 27 October 1883.
informed Ritchie that Coster had raised the Company's additional capital from members of the aristocracy.\footnote{Ritchie to Galbraith, 24 October 1884, p. 6, Ritchie Papers.} The vessels themselves were splendidly turned out, with advanced features such as electric lighting, and the NZSCo captured the market for saloon passengers. On his return from England in 1884, Coster made sure that his ship the "Ruapehu" beat the SS&A's "Coptic" into Hobart by several days: "But this is not wonderful with Coster on board - who wd see that coals were not spared - This will give him more pleasure than a good dividend! He is a perfect baby in such matters."\footnote{Ritchie to Galbraith, 10 July 1884, p. 168, Ritchie Papers.} To celebrate the launching of the steam service, the whole body of Shipping Company directors came down to Otago and "kept up high jinks" on board the "Tongariro" for three days. Captain Hallett, however, had "rather a bad quarter of an hour at the banquet" and Ritchie assured Galbraith: "All this flourish is 'bunkum' & people only laugh at it - & thank their lucky stars they are not shareholders!"\footnote{Ritchie to Galbraith, 28 December 1883, p. 58, Ritchie Papers.}

Coster's hour of glory was quickly over. Ritchie doubted that the Shipping Company would receive a monopoly of the government business in 1884, although he suspected it would be difficult to arrange a joint working except over Coster's corpse.\footnote{Ritchie to Galbraith, 29 February 1884, p. 117, Ritchie Papers.} But Coster was now under intense pressure from the Company's creditors to share the burden of the steamship trade and increase its profitability. This finally brought him back into negotiations with Ritchie, who found their encounters highly disagreeable:

I have had hours & hours with that horrid creature Coster with his sickly friendly leer & falsehood writ large all over his face, & am very sick of it already... I am disposed to think that Temple is right in believing that he is too frightened to play false - or very false - for he cannot live without his falsehood any more than without his whisky and English seltzer (new substitute for champagne to suit 'the times'!!)\footnote{Ritchie to Galbraith, 11 September 1884, p. 199, Ritchie Papers.}

It seems that an understanding was eventually reached in England, which allowed the NZSCo to take the Government's £13,000 mail subsidy in 1884 without

\begin{footnotes}
\item Ritchie to Galbraith, 24 October 1884, p. 6, Ritchie Papers.
\item Ritchie to Galbraith, 10 July 1884, p. 168, Ritchie Papers.
\item Ritchie to Galbraith, 28 December 1883, p. 58, Ritchie Papers.
\item Ritchie to Galbraith, 29 February 1884, p. 117, Ritchie Papers.
\item Levin, the SS&A agent in Wellington had similar experiences "...he has had a lot of discussion with Coster and Gibbs, which is quite enough to turn the stomach of anyone - Oh! they are loathsome to have business to do with!" Ritchie to Leslie, 9 October 1884, Ritchie Papers.
\end{footnotes}
competition, in return for certain undisclosed concessions to SS&A.¹ The new Parliament in 1884 was still "strong in B.N.Z. elements", including Coster himself, but Ritchie considered that this influence would only be exploited in future for the benefit of both companies.² Coster's coup with the steamers had been carried at grievous cost. The finances of the Shipping Company were anything but assured and it was in no position to withstand a continuation of the ruinous struggle with SS&A.

The Finances of the New Zealand Shipping Company

After the Company's unsatisfactory first year, Coster paid a hurried trip home, in part to arrange the purchase of ships, but also in the hope of either buying out Shaw Savill & Co or amalgamating with Galbraith. At one stage it seemed likely that the negotiations with the Albion Company might succeed. When Coster was at length rebuffed, it was clear that the BNZ would have to carry the Shipping Company through its early difficulties. Murdoch viewed this prospect with apprehension and regretted that his Loan Company could make no move to dispose of its Shipping Company shares without a market collapse.³

The BNZ made an initial advance of £80,000 to cover the acquisition of the Shipping Company's first five vessels and charged a rate of interest below that permitted by the bank agreement currently in force.⁴ This may have been supplemented in 1876 by a loan of £20,000 from the New Zealand Insurance Company.⁵ The floating of debentures in 1875 was covered by a twelve-month advance of £200,000 from the Bank. The Bank's willingness to commit such sums to the Company probably flowed from its confidence about the political situation. Murdoch wrote in reference to the last sum: "I would like to see the session over and our hold on the government money made good before trenching on this amount."⁶

¹ Parliamentary Debates, 5 November 1884, pp. 409-411.
² Ritchie to Leslie, 14 August 1884, p. 193, Ritchie Papers.
³ Murdoch to Larkworthy, 9 April 1874, Larkworthy Papers: "I will wait further intelligence as to the proposed amalgamation and if not effected will try to quit some of our shares though I despair of being able to do so to any extent as the first evidence of our pulling through on the market would practically shut it against us and although the condition of the company might for a time remain unsatisfactory I cannot think we could be warranted in giving away our shares."
⁴ Ritchie to Adam Barnes, 20 April 1874, p. 249, Ritchie Papers.
⁵ Ritchie to Russell, 25 September 1876, p. 111; Ritchie to Galbraith, 21 August 1876, p. 105, Ritchie Papers.
⁶ Murdoch to Larkworthy, 9 June 1875, Larkworthy Papers.
The NZLMACo directors, no doubt sensitive to the public criticism of the Shipping Company’s performance, showed their nervousness about the concern by resolving to sell half their shares in 1877.1 At that time, it was virtually impossible to find buyers of the Company’s stock, which was trading well under par, and only twenty of the NZLMACo’s 1050 shares were placed. A year later, Coster admitted that “for public reasons” the transfer of this scrip had never been made and the NZLMACo, encouraged by the strengthening price of the securities, agreed to cancel the transaction.2 The year 1879 saw great upheaval in the banking world and the BNZ was embarrassed by its unsecured advances to the Shipping Company. These amounted to £70,000 and the Bank declined further accommodation to the Company.3

Coster, too, had private anxieties to contend with, being practically dismissed from the Bank and Loan Company.4 The general management of the Shipping Company now became his sole occupation. "Coster is sat upon I hear - in Ch:Ch:....", wrote Ritchie to Galbraith, "[h]e looks old & wretched & I fancy is drinking a bit."5 There were, he continued, "many signs of ‘trouble’ between the lot - Bank - Loan & Shipping Co. We ought not to crow - but cannot forget the text about the wicked flourishing &c - & then the place knowing them no more."6

Had Coster been content to work along conservative and profitable lines and had he consolidated the substantial volume of trade he had secured, it is conceivable that the NZSCo might, in time, have matured into a sound dividend-paying concern. But his determination to lead New Zealand into the era of direct steam communication with Britain all but crippled the Shipping Company. Coster pushed through the increase in the Shipping Company’s capital against the wishes of the Loan Company’s directorate. Only Coster’s personal appeals tempted the directors to take up new shares and refrain from selling their original holding. The fresh capital raised did not cover the cost of buying and chartering the steamers by a wide margin. Sir William Pearce of Elder & Co, the firm that built...

---

1 NZLMACo Minutes, 1 June 1877.
2 NZLMACo Minutes, 13 August 1878.
3 Coster to Larkworthy, 1 March 1879, 21 June 1879, Larkworthy Papers. Memo from Murray to D.L. Murdoch, 25 September 1879, BNZ Archives. The Company was advised that it should attempt a sale of £25,000 debentures but “there is only a meagre chance of success”. The directors suggested associating Vogel with the BNZ as agents for the placing of the debentures. Coster to Larkworthy, 26 April 1879, Larkworthy Papers.
4 Ritchie to Russell, 2 March 1881, p. 88, Ritchie Papers.
5 Ritchie to Galbraith, 29 November 1879, p. 29, Ritchie Papers.
6 Ritchie to Galbraith, 29 November 1879, p. 29, Ritchie Papers.
the ships, was owed £500,000. The BNZ held £50,000 uncovered debentures, the New Zealand Insurance Company held £15,000 in debentures, and a body of London investors, some of whom had taken debentures on the Bank's recommendation, accounted for a further £40,000.\(^1\) In addition, there were mortgages of around £20,000 to the Bank and Loan Company.\(^2\)

Coster's extravagance and his refusal to submit to a joint working of the steamer trade incensed the BNZ. Murray regarded the stoppage of the Shipping Company as a distinct possibility in 1884 unless its management and finances were urgently reformed.\(^3\) In his eyes Coster was "far too masterful."\(^4\) Murray threatened to place the Company into immediate liquidation unless Coster floated £200,000 of mortgage debentures and levied a call of £60,000 to pay off the New Zealand Insurance Company: "I simply had Coster on his beam ends and dictated to him."\(^5\)

New Zealand Shipping Company shares became almost valueless by the end of 1884 and there were renewed criticisms of the balance sheet.\(^6\) Peter Denny agreed with James Mills that the profit shown on the first year of the steamship trade was "a gigantic falsehood".\(^7\) He wrote of Coster, "[t]here is no man made a friend of him. Can a woman? I don't believe it."\(^8\) Ritchie thought the accounts had been "cooked" and that, instead of a surplus, a loss approaching £100,000 ought to have been shown.\(^9\) He remarked to Davidson that Coster was "amazing at finance and must be working on a powder mine in this respect."\(^10\)

The tremendous pressures under which Coster had laboured now began to take their toll on his health. In 1880 he lay dangerously ill and was forced to take a month at the Hanmer hot springs to recruit his strength. Bright's disease of the kidneys was Ritchie's diagnosis: "Too much champagne I make little doubt."\(^11\) Ritchie was sure that Coster was coming to "the end of his tether".

---

1. Murray to Andrews, 15 September 1884, BNZ Archives.
4. Ritchie to Galbraith, 23 April 1884, p. 146, Ritchie Papers.
10. Ritchie to W.S. Davidson, 29 February 1884, p. 102, Ritchie Papers.
11. Ritchie to Galbraith, 7 October 1880, p. 275, Ritchie Papers.
There is not a soul - even among his best friends, who has a good word to say about Coster or his mode of doing business - I believe he is in his present position more from charity than anything else. - and if he lives a little longer - I should not like to put down on paper what I think is as likely as not to overtake him.  

In 1885 he seemed to Ritchie a broken man: "Leonard Harper, one of his Board, actually told me last week in Ch:Ch: that he was 'losing his head' - that his 'brain was going'! - I am not sure that it is not true." Coster resigned from the general management. The NZSCo generously voted him a gratuity of £2,000, money it could ill-afford to spare. He died shortly afterwards. Coster was probably regarded with less sympathy by his superiors in the BNZ. In 1888 it was necessary to write off his estate as a loss of £10,000. At the same time his fellow director, C.W. Turner, was put down as a bad debt of £28,000. Selwyn Smith proved himself worthy of his detractors' vituperation. He was found to have used the Company's funds to ease his private engagements and was placed in bankruptcy in 1880, owing also a considerable debt to the Loan Company. O.R. Strickland, the London manager, was criminally prosecuted for conspiring to defraud a shipowner, but was acquitted in 1879. Leonard Harper was charged with the misuse of trust funds in 1894.

By the time Coster left the Shipping Company it was almost on the point of insolvency. Its debts on current account were paid with great difficulty and delay and, after further calls in 1885 and 1886, its shares with £7 paid up were worth just 30s. The BNZ, which held mortgages of £130,000 over the fleet and probably as much again in debentures, desired a substantial reduction of its interest in the Company. Sir William Pearce was still owed £250,000, a loan that was unsecured

---

1 Ritchie to Galbraith, 7 October 1881, p. 474, Ritchie Papers.
2 Ritchie to Temple, 26 January 1885, p. 261, Ritchie Papers.
3 Evening Press, 2 October 1886.
4 H.D. Bedford, "The History and Practice of Banking", p. 231.
5 H.D. Bedford, "The History and Practice of Banking", p. 231.
6 J.E. Brown to Thomas Curtis, 2 December 1879, J.E. Brown Papers. Mercantile Gazette, 13 March 1880. Smith owed debts of £12,612 and had assets of £8,680. He owed the NZSCo £5,750.
7 Coster to Larkworthy, 16 January 1879, 1 February 1879, Larkworthy Papers.
9 Evening Press, 22 October 1886.
10 Ritchie to Levin, 14 November 1887, p. 233, Ritchie Papers. The New Zealand Insurance Company, which had lent large sums on debenture, was repaid after some trouble in 1885. Ritchie to Temple, 29 July 1885, p. 344, Ritchie Papers.
to the extent of £130,000. Understandably, he wished to see the NZSCo reconstructed and its management transferred from the colonies.1

There were pressures for change in other quarters. SS&Co had been quietly accumulating shares in its New Zealand rival and, by the early 1880s, was in a position to exercise considerable control in its affairs. In 1886 over half of the Shipping Company’s 60,000 shares were held in England and Pearce alone accounted for 10,000 of these.2 In Wellington, where the bulk of the colonial shares were now held, the proprietors of the Company were highly critical of the Christchurch directors and wanted the headquarters moved to the capital.3

The New Zealand board of the Shipping Company was disbanded in 1887 and its powers vested in a body of six directors in London.4 It was soon announced that the colonial directors had overstated the assets of the Company by £156,000; a vindication, perhaps, of what had been said against earlier balance sheets.5 In June 1888 the total debt to the BNZ stood at £372,775, but this was reduced by £111,800 the next year and the remainder assumed by Sir Edwyn Dawes.6 Dawes denied rumours that his influence over the Company would be used for the benefit of SS&A.7 This change of management ended the control of the BNZ.8 With it, the affairs of the NZSCo passed to more tractable men, whose interest lay in achieving profits rather than cheap freights and from whom SS&A could expect a more co-operative working of the New Zealand trade.

The rise of the New Zealand Shipping Company had posed a serious challenge to three of the firms that contributed members to the "inner circle" of Dunedin business. But the Company’s popularity in the Province was short-lived. Otago shippers quickly became suspicious of the BNZ’s influence over the concern and Coster soon lost credibility in their eyes. They also resented the Canterbury bias of the Company’s management. By the time the colonial board was abolished, the ties between Otago and the British shipping companies had been thoroughly confirmed. Through the early history of the Shipping Company, we see another manifestation of the conflict between outside business interests and members of

1 Ritchie to Levin, 22 December 1887, p. 258, Ritchie Papers.
3 Evening Press, 22 October 1886.
4 They were Sir C. Clifford, Sir W. Pearce, Sir John Gorst, E.P.W. Miles, T. Johnson and J.B. Westray.
7 ODT, 25 November 1889. ODT, 1 April 1889. AIBR, 16 May 1889.
8 The NZLMA Company was grateful to dispose of its shares in 1888. See "Special Report on Unproductive Capital, 1888", Alexander Turnbull Library.
the "inner circle". In the course of this struggle, the more intimate aspects of the wool trade - the driving force in the Otago economy - are exposed.
CHAPTER FOUR - THE SIGNIFICANCE OF THE BNZ'S RELATIONSHIP WITH OTAGO

It was suggested at the beginning Part Four that the activities of the BNZ, NZLMACo and NZSCo in the south of New Zealand provided a useful means of assessing the relationship between the country's two most important business communities, Auckland and Dunedin. In a more limited way, the history of the Shipping Company also provides a point of comparison with Christchurch business affairs.

As indicated in Part One, there were some significant structural differences in the business communities of the southern and northern capitals. Without exception, Dunedin's major business institutions were formed during the mid-1870s, by which time the BNZ, the New Zealand Insurance Company and NZLMACo had existed for a decade or more. Otago's push into new business frontiers did not begin in earnest until the formation of the Colonial Bank, the National Insurance Company and the Union Steam Ship Company. In time, the Steam Ship Company was highly successful in monopolising other markets, but the Bank and the Insurance Company operated in fields where the same level of dominance was not attainable. During the 1860s most of the Province's rapid economic growth had been tapped by small private concerns.

The difference in performance is easily measured in the sphere of banking. The first two banks to concentrate their resources in Otago and Southland were crippled by the depression of the mid-1860s. With the absorption of the Bank of Otago by the London-based National Bank, the Province had no institution with which it could specially identify. The Colonial did not inherit an existing connection and had to struggle in a highly competitive field. It was therefore a number of years before it became a significant force beyond the boundaries of the Province.

There was a similar disparity in the field of pastoral finance and its related mercantile activities. The Loan Company was equipped to borrow large sums on the British debenture market and these were deployed in its activities throughout the country and also in Australia. The market niche in which it operated was divided in Otago between several private firms: Cargills & Co, Russell Ritchie & Co, Driver Stewart & Co, Murray Roberts & Co, Wright Stephenson & Co, James Rattray & Co and Dalgety & Co. With the exception of the latter concern, these were much smaller businesses, which were incapable of rapid expansion into
markets outside the southern part of the country. They lacked the borrowing powers of the Loan Company, which was soon able to take business from them simply because of its ability to satisfy the demand for cheap mortgage capital. It was not until later in the 1870s that several of these businesses attempted to overcome this disadvantage by incorporating. In this important sphere of commercial activity, Otago’s business structure remained entrepreneurial and locally oriented. The Loan Company, in contrast, was very much a colonial and inter-colonial corporation.

Although the BNZ and the Loan Company drew heavily upon foreign sources for their share and loan capital, it would appear from Stone’s analysis that control over management and policy decisions lay mainly with their local boards. Thus, although interlocking directorates were features of the business communities of both Otago and Auckland, the influence of the "limited circle", through its control of these highly capitalised and well-established institutions, extended throughout the colony. After the formation of the New Zealand Shipping Company, the conglomerate controlled or influenced by the BNZ "clique" seemed to be moving towards a position of dominance in the major fields of business enterprise. As the Inspector of the Bank of New South Wales explained in 1883:

> There is no doubt that with such companies attached to them as the Loan Co, the New Zealand Insurance Coy and New Zealand Shipping Coy. the Bank has acquired an influence and power over every description of business and industry in the Colony, which completely puts every other Banking Institution in the shade..."2

By comparison, the influence of Dunedin’s "inner circle" outside the boundaries of the Province was circumscribed, at least during the 1870s.

The advantage of the "limited circle" in early developing a national network of business connections both reflected and reinforced its strong hold upon the political process. Even when the BNZ considered its supporters outnumbered in the House, it managed to exert a level of control on government policy that none of its rivals could match.3 Otago’s business interests had no answer to this influence. The repeated attempts to win a share of the government account for the Colonial

---

3 This, of course, points to the importance of the Bank’s influence at the highest levels of political leadership.
were invariably deflected. Political favours to the shipping industry generally fell the way of the NZSCo. Even in small victories, such as the passing of the National Bank Bill, revulsion at the excesses of the BNZ lobby seemed to weigh as heavily with the Members involved as did the real influence of its opponents.

The political history of the colony in the mid- to late nineteenth century was punctuated by a series of events that appeared to have direct links to the BNZ. Some of these have been alluded to in Part Four: the consolidation of the provincial loans, the sale of the Port Chalmers Railway, the National Bank Bill, the Bank's involvement in Canterbury politics, the Piako Swamp affair, the charges against Vogel and Atkinson, and the protection afforded the New Zealand Shipping Company. In this climate of suspicion, it is understandable that an incident such as the sale of the *Daily Times* to David Proudfoot created an apparently excessive alarm.

These episodes occurred against a background of more persistent issues: the retention and working of the government account, the deployment of the Government's loan capital, the BNZ's supposed role in determining the financial policy of the colony, and its investment in and control over some of the leading newspapers. The Bank's influence seemed to extend to the most fundamental political developments. In 1877, an Otago paper claimed that:

... it is generally conceded that in the initiation of the great colonising policy of the past few years, popularly associated with other names, and in the initiation of the great constitutional policy that has shaken the colony to its foundations, Mr Russell has been "the power behind the throne".¹

No Otago businessman, or group of businessmen, can be seen to have exercised such control over the direction of the country.

Insofar as the activities of the Dunedin and Auckland business communities overlapped, the initiative in both business and politics appeared to lie with Auckland during the 1870s. So often in this period it seemed that Dunedin businessmen were required to react to some external development in which Auckland or BNZ interests had made the running.

The Cavershame election of 1875 was a reminder of the relative positions of these groups. That year, the BNZ had been at the forefront of public attention. Vogel's handling of the £4m loan created a furore and he had been formally

¹ *Otago Guardian*, quoted in *Bay of Plenty Times*, 3 March 1877.
accused of corrupt dealings with the BNZ. The scandal over the Piako Swamp sale was also beginning to break. In these circumstances, any hint of interference by the Bank in Dunedin’s politics was bound to create a sensation. The Caversham election underlined the wide-ranging power that the BNZ clique was capable of wielding. No business interest in Otago could have intervened so nakedly in the political affairs of another Province, nor would the activities of Dunedin capitalists have created an incentive for them to do so. Yet for David Murdoch, General Manager of the BNZ in Auckland, the election was sufficiently important for him to make a personal appearance in the city and arrange one of his clients as a candidate.

With respect to the national markets that were developing in New Zealand business during the 1870s, it is difficult to argue that the commercial community was capable of emulating the dominance of its Auckland rival. This might suggest a need for caution in considering Olssen’s claim that, after the goldrushes, the Otago "elite" had become "the most powerful within the colony." It is true that Otago contributed a large share of New Zealand’s economic output in this period. But it is also pertinent to enquire how much business activity beyond the provincial boundaries was controlled from Dunedin boardrooms, or how much control Otago exerted over the machinery of government, for this was also becoming an important factor in the equation. By these criteria, it is hard to accept that Otago led the field.

The antagonism towards the BNZ conglomerate aggravated tensions within the Otago business community. Larnach and Driver had long been loyal friends of Vogel. As if following his lead, they now found their business interests moving them into a close relationship with the BNZ clique. Reynolds, a close friend of all three men, was associated with them in a number of business ventures and remained a staunch supporter of Vogel in Parliament. He also publicly defended the New Zealand Shipping Company and it is possible that one of Ritchie’s letters in the Otago Guardian was directed against him. Proudfoot’s activities meant that he was perceived as one of the Bank’s sympathisers in Dunedin and he too was on close terms with Larnach. Turnbull, another BNZ client, was an ally of Proudfoot during most of the 1870s and an early supporter of the Shipping Company.

The "inner circle" therefore had its share of "Bank of New Zealand men". Another group within that circle, however, was obviously hostile to the Bank. For

---

1 E. Olssen, A History of Otago, p. 56.
2 Otago Guardian, 6 February 1875.
Russell, Ritchie, Nichols, Roberts and the Cargills the expansion of the BNZ conglomerate threatened serious disruption to their operations. Oliver seems to have become estranged from the BNZ after the Port Chalmers Railway contract was completed. Holmes and McLean identified themselves with the Colonial Bank, which inevitably brought them into conflict with the friends of the BNZ. Holmes had conceived a deep contempt for Vogel and this did nothing to soothe relations with the Bank's supporters in the House. Although direct evidence is lacking, it is doubtful that James Mills would have regarded the New Zealand Shipping Company as a positive influence in the markets worked by his Union Company.

It was only natural that opposition towards the BNZ circle would tend to isolate the individuals most closely linked to that group. Always controversial figures in the Dunedin business world, Larnach and Driver bore the brunt of this feeling as the 1870s progressed. In the final chapter of Part, Four we examine the history of the New Zealand Agricultural Company, an enterprise whose unhappy course served to deepen these factional rivalries.

It is not apparent from Stone's writing whether similar divisions existed in the Auckland business community. It is unlikely that businessmen in Otago were more prone to infighting than those elsewhere. But they were subject to the dividing influence of a rising business conglomerate centred outside the Province, this being a development that threatened some individuals and presented others with new opportunities or the means of self-preservation. Auckland does not seem to have been exposed to a similar phenomenon, and herein lies another difference between the leading business communities of nineteenth-century New Zealand.
CHAPTER FIVE - THE NEW ZEALAND AGRICULTURAL COMPANY

The story of this controversial enterprise is now a well-known part of New Zealand's historical literature. As D.A. Hamer has shown, the promotion of the Company and subsequent relations between those involved in its affairs help to explain the fall of the Grey Government and the formation of the Stout-Vogel Ministries in the mid-1880s.\(^1\) The purpose of the Company was simple. A group of Southland estate-owners found themselves in the grip of a rabbit plague. While land prices were soaring elsewhere in the island with the rampant speculation of 1877-79, these men, some heavily in debt, faced a decline in the value of their properties and ruinous costs in keeping down the rabbit nuisance. To avert a financial calamity it was decided to form a company in England to take over and subdivide the land and then sell it to small farmers. The success of the plan depended on a concealment from British investors of the marginal profitability of the land they were buying. In essence, the vendors would receive an inflated price for assets they were desperate to liquidate.

As an additional attraction for investors, the Waimea Plains Railway Company was floated, mainly with local capital, to build a line through the Agricultural Company's estates. The legislation under which the railway was constructed guaranteed a 7% return on the Waimea Company's paid up capital for seven years. Two per cent would come from the Government and 5% from a rate levied on adjacent landowners. The Railway Company soon ran into trouble. Technical defects in its empowering legislation prevented it from collecting the rate.\(^2\) Without the security of this guaranteed income, cheap debenture funding was difficult to procure. Members of the Company put pressure on the Government to buy the concern. Grey alleged that his refusal to sanction the purchase was a direct cause of his defeat in 1879. Three shareholders voted against him when his Ministry was narrowly defeated in October.\(^3\) One of these men, Richard Oliver, took office under Hall and arranged for the Government to guarantee the debentures and advance £40,000 to the Company until its rates could be collected.\(^4\)

---

3 These men were: Henry Driver, Richard Oliver and P.K. McCaughan.
In spite of some promising land sales when it first started, the Agricultural Company never looked likely to succeed as a dividend-paying venture. Shareholders received their last return in 1882. By 1884 it was on the point of collapse. Vogel prevented the London directors from placing it in liquidation only by promising to seek in New Zealand a political solution to its woes. His mission to the colony resulted in the formation of the Stout-Vogel Ministry, which held office between 1884 and 1887. Hamer's contention is that this alliance, inexplicable in ideological terms, was forged primarily to enact legislation to relieve some of the financial pressures on the Company.

It is not necessary to traverse the ground already covered by Hamer's analysis. But as one of the largest business ventures in the south, the Agricultural Company warrants examination from an Otago perspective. It showed another aspect of Otago's dependence upon British capital and the disruption caused by the City of Glasgow Bank failure. The dramatic changes in land values in the south and the problems confronting agriculture at that time were also demonstrated. Our main interest, however, lies in what it reveals about relationships within the "inner circle."

The vendors to the company were Joseph Clarke, Patrick Kinney McCaughan, Larnach, Driver, George Meredith Bell and Malcolm McNeill. With the exception of McNeill, they all took some active part in the control of the Waimea Plains Company. Bell, Reynolds, A.C. Strode and Driver made up the local board of the Agricultural Company. Vogel's presence on the London board added to the impression that the scheme was founded upon the long-standing ties between Reynolds, Vogel, Driver, Larnach and the Clarke family. The response of other Otago capitalists to the project further illustrates the divisions in the business community.

Joseph Clarke was a son of that notorious figure, W.J.T. Clarke of Melbourne. He inherited his father's New Zealand interests in 1874 and added these to his own investments in Otago. During the 1870s he acquired Wantwood station (for £90,000), Waicola and Okaiterua (renamed "Caroline" after his wife). In March 1878 his Southland freeholds totalled 80,000 acres. He also came into possession of 2,000 acres at Horseshoe Bush, Waihola, after John Fry Kitching, his manager at

---

1 ODT, 28 April 1881.
4 ODT, 13 March 1878.
Moa Flat, ran into difficulties. Clarke held mortgages over all the properties sold to the New Zealand Agricultural Company by the other vendors. Larnach and Driver borrowed £25,000 from him, which was secured against Longridge, Eyre Creek, East and West Dome and a half interest in Waimea. Little can be said about Joseph Clarke's personality. He was a valued customer of Sanderson Murray & Co in Melbourne, although William Murray did not regard him warmly: "Joe Clarke is a queer sort of a fellow. I don't care to say much to him". More well known in New Zealand was Clarke's kinsman, Patrick McCaughan, whose idiosyncrasies caught the public eye.

"Paddy" McCaughan was a muscular Irishman whose hirsute back, it was said, "was like an acre of well-kept lawn." His fine physique was perhaps a legacy of his time as a manual labourer in Australia, for it was well known that he was a chain-man to a surveyor before the Clarke's took him in hand. By the time he arrived in New Zealand he had cultivated the tastes of a gentleman. He dressed well, even adorning himself with jewellery and diamond rings. During his visits to the capital, as the Member for Riverton, he became a popular figure with the Wellington haut ton. "Paddy' was the Adonis of the House, and a jolly, good-natured Adonis at that." Seddon adopted him as his exemplar in matters of fashion: "He never got the length of the diamonds; but after several discouraging failures he succeeded in parting his hair in the middle."

Unfortunately, McCaughan had a weakness for liquor, which he could not suppress, even while on parliamentary service. He suffered twice from delirium tremens and his attempts at teetotalism were not successful for very long. He often seemed slightly crazed and there was a wild streak in his character which created a great deal of trouble for him. William Dalgleish, the Invercargill partner of Murray Roberts & Co, had various business relations with McCaughan and kept a close watch on his behaviour. In 1878 he heard a rumour that McCaughan had committed an outrage on the wife of one of his station hands. The rape had

2 William Murray to John Roberts, 5 January 1879, 625/9, Roberts Papers.
4
5 WCL 1 November 1882.
6 ODT, 1 November 1882.
7 Stevens to Stafford, 28 December 1879, Stafford Papers.
allegedly taken place at Caroline in broad daylight and in the immediate vicinity of the house where McCaughan's wife and children were living.

It was hushed and denied but I am aware there is a deal of truth in it, the man and wife got to Town and consulted a Lawyer and the information was about to be laid when suddenly withdrawn by the man. I think McCaughan feels his position in the eyes of the public but he is naturally a low grovelling treacherous fellow to use a mild expression and it takes a good deal to touch his sense of decency or honor.¹

McCaughan did not improve his public name by maliciously bankrupting George Purdue, a popular hotelkeeper at Dipton who had declined to perform "some dirty trick he wanted."² According to McCaughan is so well known now that no one will place the slightest reliance on his word."³

McCaughan married twice, both his wives being relations of Joseph Clarke.⁴ The exact nature of his business connection with Clarke was never very clear. Wantwood and Caroline were held under Clarke's name, but McCaughan claimed they had an arrangement such that the profits of any land speculation would be shared regardless of who had provided the capital.⁵ In accordance with this, McCaughan appears to have received money from the sale of Wai cola, which was bought for £2 an acre and sold for £4 to George Turnbull, C.D.R. Ward and others.⁶ There was no partnership in a formal sense and Clarke was not liable as a partner for McCaughan's debts.⁷ McCaughan may have leased the Southland stations or made some undertaking to purchase them himself.⁸

McCaughan's finances were evidently as precarious as his mental condition. The Bank of Australasia estimated his indebtedness to Clarke at the enormous sum

¹ William Dalglish to Roberts, 22 November 1878, 625/8, Roberts Papers.
²
³
⁴ Mr. P. Chandler (Glenary. p. 85), McCaughan married a cousin of Joseph Clarke, Clarke having married one of his own cousins. This may explain McCaughan's enthusiasm for having the Marriage to Deceased Wife's Sister Bill passed. In Bell v. Clarke, McCaughan stated that he was married to a sister of Clarke's wife. Q.D.T. 5 July 1884.
⁵
⁶
⁷
⁸
of £230,000, which suggests that he had contracted to buy the two runs, yet he still launched out recklessly during the height of the land mania in Southland. In 1878 he bought all the small farms on the West Plains between Wallacetown and the Oreti, around 2,000 acres in all, for which he offered up to £15 per acre. At the same time he purchased another 2,000 acres at Scott's Gap, near Riverton. Dalgleish thought his conduct quite astonishing:

... he has been acting foolishly and I really doubt his sanity sometimes. He will come to grief if he cannot balance himself better. He has not paid a copper on any of his recent purchases and there is a time of reckoning at hand for which, I think, he is not prepared. He has been anxious to taste the B[ank] of A[ustralasia's] blood, but I think they are aware of him.

McCaughan's overdraft at the Colonial Bank was £20,000 and by November 1878 he had only a few days left to find another £6,000 to cover his land purchases at West Plains. He trailed morosely between bank parlours and finance houses until John Turnbull at the NZLMACo believed his "garbled statements" and advanced him the money for three months. Dalgleish was sceptical: "I fancy the NZ Loan Co have taken a thing in hand they know nothing about." It proved to be another bad investment for the NZLMACo. The debt increased to £11,000 and McCaughan ignored the threats and ultimatums of the Company. After a year, the securities were found to be in a critical condition and a further £9,690 had to be advanced to protect the Company's position.

The charity of Joseph Clarke was the only thing standing between McCaughan and financial ruin. Dalgleish doubted that this could continue much longer: "I should say the end of McCaughan's brilliant career here is drawing to a close, otherwise Mr J Clark[e] must have a higher opinion of him than we have been able to form, or more money to fool away than we are aware of." The arrangement with McCaughan was, he thought, "an absurdity without recognition.

---

1 Bruce Herald, 10 September 1878.
2 Dalgleish to Roberts, 24 October 1878, 625/8, Roberts Papers.
3 Dalgleish to Roberts, 7 November 1878, 625/8, Roberts Papers.
4 Dalgleish to Roberts, 7 November 1878, 625/8, Roberts Papers.
5 NZLMACo Minutes, 19 June 1879; 11 September 1879; 20 November 1879.
6 Dalgleish to Roberts, 7 November 1878, 625/8, Roberts Papers.
Part Four, Chapter Five

by Clark[e]". McCaughan left for Melbourne at the end of November. Some were surprised that he had been allowed to leave and George McLean was hastily despatched by the Colonial Bank to follow him. John Roberts supposed that Clarke's position as a large shareholder in the Colonial was all that stopped its board from taking extreme measures against McCaughan.

P.K. McCaughan has returned from Melbourne per last steamer and since been helplessly and disgustingly drunk. On his arrival he told the manager of the Colonial that their overdraft will be all right but nothing has as yet been done, and in his drunken mauderings he let out something about "a great row with Clarke" - the beginning of the end.

The inclusion of McCaughan's stations in the Agricultural Company was doubtless a sine qua non for Clarke's involvement in the concern. After the properties were taken over, it was reported that Driver had warned McCaughan he would be shot if found on the Company's runs again.

George Meredith Bell was a very different stamp of man from P.K. McCaughan. His father was a Governor of Tasmania and it is likely that the Clarke's would have been well known to him. He married a daughter of Robertson of Colac, Tasmania, a wealthy landowner said to be worth £200,000. Robertson settled upon Mrs Bell an annuity of £1,500. Educated at Eton and Oxford, he was fondly remembered by Herries Beattie as "a gentleman tall and dignified, well dressed and with courtly manners, affable and kindly and with a suave demeanour that would make him equally at home on the run, or in the drawing room." Bell was a pious man and routinely conducted prayers and services which his employees were expected to attend.

---

1 Dalgleish to Roberts, 22 November 1878, 625/8, Roberts Papers.
2 Dalgleish to Roberts, 22 November 1878, 625/8, Roberts Papers.
3 John Roberts to Murray, 14 March 1879, 625/33, p. 37, Roberts Papers.
4 Dalgleish to Roberts, 22 November 1878, 625/8, Roberts Papers.
5 Dalgleish to Roberts, 22 November 1878, 625/8, Roberts Papers.
6 J.M. Bell was related to the boys brothers of Kawarau station and to George Forbrace Boyes Poynter.
8 H. Beattie, The Southern Runs, p. 299. A similar requirement was to be imposed on English cadets in the service of the Agricultural Company, who might attain a salary if they were "good boys and got up early
George Bell came to New Zealand with £24,000 and bought from David MacKellar the Waimea station, a property of 17,000 acres freehold and 40,000 leasehold, carrying 30,000 sheep, for which he gave £60,000. The balance of the purchase money was probably found by General Maxwell, who became a director of the Agricultural Company. Also in association with Maxwell, Bell acquired Croydon in 1869, an estate of 9,000 acres freehold carrying 14,000 sheep, which cost £25,000. Over time he built up the freehold to 53,000 acres and ran up a debt to Clarke, which, though well-covered, was said to be £150,000. He also owed substantial amounts to the NZLMACo.

Bell's land was the best purchased by the Company and the only estate that in any way approached the valuations in the prospectus. He had a relaxed attitude to money and was in some trouble at the end of the 1870s. John Turnbull of the NZLMACo, Bell's close friend, could not give an encouraging reply to enquiries from the Bank of Australasia:

He tells me Bell is in a very precarious position, in fact everything hinges on the floating of the New Zealand Agricultural Company and if that fails Bell's position will be an unpleasant one. Bell himself is an extravagant man and one who so long as he has money does not bother about the future... the aforesaid manager [Turnbull] thinks G M B [is] best left alone.

The McNeill brothers, Alexander and Malcolm, bought Ardlussa in the early 1860s. They were military men and apparently well connected. Another brother was equerry to Queen Victoria, and a niece who lived on the station for a time later became maid of honour to the Queen and married to become the Duchess of Argyll. Other members of the family were apparently connected with the firm and [went] to church'. This part of the Company's prospectus was highly amusing to William Fox, who wrote: "Coming from Larnach and Vogel who never cared a snap of the fingers for 'good boys etc' in New Zealand, it makes one laugh to read it." William Fox to Larkworthy, 20 May 1879, Larkworthy Papers.

---

1 The partnership deeds between Bell and General Maxwell are deposited at the Alexander Turnbull Library. Maxwell, who served in the Punjab, had a half share in the estates by 1870. His wife may have been Tasmanian - she had a half share in the Anandale estate in Tasmania upon which Maxwell raised a mortgage of £4,000. Bell and Maxwell transferred all their shares and debentures in the Agricultural Company to Clarke as security for his advances to them.

2 Invercargill Manager to Inspector, 26 June 1880, Bank of Australasia, ANZ Archives.

3 Invercargill Manager to Inspector, 26 June 1880, Bank of Australasia, ANZ Archives.

4 Invercargill Manager to Inspector, 26 June 1880, Bank of Australasia, ANZ Archives.

5 Invercargill Manager to Inspector, 26 June 1880, Bank of Australasia, ANZ Archives.

6 Invercargill Manager to Inspector, 26 June 1880, Bank of Australasia, ANZ Archives.

McNeill & Sime of Edinburgh. 1 Malcolm McNeill returned to Britain after three years and wished to sell his share to Alexander, who was unable to raise the necessary capital before the advent of the Agricultural Company. 2

Robert Stout probably became involved in the Company as attorney for the McNeills. There was some urgency to sell Ardlussa, which was the worst block in the district and "steadily going to the bad". 3 Even if a buyer could be found, Stout feared that the station would fetch a very small price. By including it in the Agricultural Company he thought that £5,000 more might be got for it than if it were sold in New Zealand, and this seems to be the reason he allowed his name to appear in the provisional directorate. 4

Stout's loyalty to the Agricultural Company in later years is difficult to explain. It must be supposed, however, that he acted from political motives rather than, as Hamer suggests, a pecuniary need to protect the interests of certain large clients. 5 Although Stout's bankers thought he owed them rather too much in 1889, there is little else to indicate that he was pressed for money; nor is it likely that the best advocate in Dunedin would have been obliged to compromise himself politically for such reasons. 6 At any rate, Sievwright appears to have acted for the Company after he and Stout ended their partnership. 7

By 1878, the rabbit problem had become an ecological catastrophe. The Waimea Plain was almost barren; even the rabbits were said to be dying from starvation. 8 The sky above was thick with circling hawks, whose numbers had multiplied with the abundance of prey. Patrick McCaughan imported dogs from Australia and by September 1877 his men were killing a thousand rabbits a day. 9 The immediate sale of the various properties was now a matter of the utmost urgency. In November 1878, 310,000 acres were conveyed to the promoters. Of this, 167,769 acres were freehold in one block. The area under lease was protected

1 Stout's letterbook contains a number of letters to this firm concerning the affairs of the McNeill brothers in New Zealand.
2 Alexander McNeill was known for his habit of wearing a kilt when on his station.
3 Stout to McNeill & Sime, 21 May 1878, p. 27, Stout Letterbook.
4 Stout to Larnach, 11 March 1878; Stout to McNeill & Sime, 11 March 1878; 21 March 1878; 19 June 1878, Stout Letterbook.
6 Dunedin Manager to Inspector, 24 January 1889, p. 370, National Bank Archives.
7 To judge from Sievwright's letterbook in the Sievwright James Nichol Stark Papers the Company's business seems to have passed through Sievwright's office after his split with Stout.
8 William Fox to Larkworthy, 20 May 1879, Larkworthy Papers.
9 Otago Guardian, 11 May 1876. ODT, 17 September 1877.
from outside speculators by the strategic buying of freeholds. The asking price was £1,070,000. Work had already begun on the Waimea Plains Railway, which would run inland from Gore for thirty-seven miles, entirely surrounded by the Agricultural Company’s land. The great question, then, was whether English investors would rise to the bait.

Larnach proceeded to England in November. Ostensibly, his mission was to assist in floating a government loan, and he took with him £2,000 of public money to defray his expenses. The New Zealand Times argued that this was quite unjustified. Larnach had no standing in the London money market and there was no reason the Crown Agents could not arrange the loan unaided. Soon after his arrival he met Vogel and invited him to join in the promotion of the Agricultural Company. The prospect of a handsome commission - indeed, an outrageously high one in the circumstances - was irresistible to the needy Agent General. He may have been offered £40,000, £2,000 more than was paid to Larnach for his services. A directorate was assembled in London, which John Roberts contemptuously described as "a very mean one." Larnach’s friend and agent R.M. Robertson, was made trustee of the Company. His appointment was received with scorn in Otago. Roberts informed John Murray:

... all we who on this side know this worthy are much amused to learn the position he occupies in the concern. His price will be small enough & he will be pliable enough to answer their purpose.

Finding a banker for the Agricultural Company proved difficult. Vogel recorded that he went into the venture calculating upon support from the Bank of New Zealand. That institution was reluctant to help. The City of Glasgow collapse had so upset its finances that it did not wish to become linked in the public mind with large land companies, as these were popularly believed to have

---

1 Prospectus of the New Zealand Agricultural Company, Hocken Library.
2 New Zealand Times, 28 February 1878.
4 John Roberts to William Murray, 14 March 1879, p. 39, 625/33, Roberts Papers.
5 John Roberts to William Murray, 14 March 1879, 625/33, p. 38, Roberts Papers.
6 Vogel to Driver, 13 February 1879, Outwards Correspondence, p. 234, Vogel Papers.
been a main cause of the failure. Other banks would not touch the Agricultural Company from the conviction that it was being floated in the interests of the BNZ.¹

News of the City of Glasgow disaster caused unease among friends of the Agricultural Company in New Zealand. Many in there felt sure the Company could not float under the circumstances. Larnach and Vogel persevered grimly, the latter describing it afterwards as the most anxious time of his life.² Their worries drew little sympathy from John Roberts. He wrote gloatingly: "I hope this big speculation of Larnach's will not succeed now, as he has I think been far too grasping and has succeeded in over-reaching himself."³

The quest for subscribers received a major setback at the hands of the London Times, which published several withering reviews of the scheme and exposed the true quality of the land involved. The Times' informant obviously possessed a thorough knowledge of the Agricultural Company's properties. If Ballance had not unwittingly sent home a telegram testifying - incorrectly - as to the excellence of the estates, the Company might well have been wrecked by these revelations. Driver was convinced that W.A. Low was inspiring this bad publicity and confided his suspicions to John Roberts in very strong terms.⁴ He may well have been right. Low was in Britain at that time selling properties of his own and would have happily disrupted Larnach's plans had the opportunity presented itself. The New Zealand correspondent of the AIBR all but named Low as the cause of The Times' hostility towards New Zealand investments.⁵

There were other enemies to be countered. Ritchie was also at home while the Agricultural Company was being promoted.⁶ When not exaggerating the severity of his medical complaints to his friends, he no doubt did his best to undermine confidence in the proposal. Galbraith and Denny agreed to join the Company and this was hailed in New Zealand as a significant vote of confidence. It is clear, however, that they did so merely to secure an agreement for the Agricultural Company's wool and they took a small parcel of only 150 shares.⁷

¹ Vogel to Driver, 13 February 1879, Outwards Correspondence, p. 234, Vogel Papers. The BNZ had "half-promised" to manage the debenture funding of the Waimea Plains Company but reneged on this undertaking. G.M. Bell had to seek finance for the Company in Melbourne and Clarke arranged a loan of £75,000 from the Colonial Bank of Australasia. Stewart to Larkworthy, 11 July 1879, Larkworthy Papers.
² Vogel to Driver, 13 February 1879, Vogel Papers.
³ Roberts to Murray, 17 January 1879, 625/33, p. 1, Roberts Papers.
⁴ John Roberts to Sanderson, 9 April 1879, 625/33, p. 68; Roberts to W. Murray, 8 April 1879, 625/33, p. 76, Roberts papers.
⁵ AIBR, 31 January 1881.
⁶ T. Roberts to Roberts, 20 November 1879, 625/8, Roberts Papers.
⁷ Ritchie to Galbraith, 4 November 1880, p. 288, Ritchie Papers.
Larnach and Vogel were most anxious to involve the Murray, Sanderson and Roberts families. They made repeated appeals to the London partners of this group, and Clarke and Bell sent telegrams imploiring them to join.1 But John Roberts in Dunedin was determined that his home correspondents would have nothing to do with the scheme. Roberts had taken shares in the Waimea Railway Company, although, like several others, he almost immediately regretted having done so.2 The Agricultural Company "swindle" was altogether a different case and could not be countenanced for an instant.3 Roberts thought the prospectus one of the most astonishing documents he had read. The valuation of the properties by Bastings and W.H. Pearson was absurdly high, at least 30% more than they were worth:4

... it is commented on here by all who have seen it in the severest terms. They are both men who can be had and whose price is not very high. I don't hesitate to say that if all the properties which are valued by them at £1,570,000 were put up to auction tomorrow they would not fetch half of that sum.5

As it happened, after the Agricultural Company floated, the vendors were obliged to reduce the price by £200,000 (an insufficient amount in Roberts' view) to allay criticism of the short delivery of stock and concealment of the rabbit plague.6

It took little to deter the Galashiels and Selkirk men from any association with the Company. Larnach's boast "that he had never failed at anything he had tried so he must be a clever fellow" made no impression on them beyond affording some private amusement.7 "As you say", wrote John Sanderson, "Larnach and his lot are a strange crowd and like the Pharasee [sic] are not like other men. It is a pity Joseph Clarke and Bell should have got mixed up with them."8 Clarke and Bell made a sudden trip to England in 1880, some thought for the purpose of enticing the Scots to help them.9 They met with no encouragement:

1 John Sanderson to Roberts, 20 December 1878, 625/8, Roberts Papers.
2 Wales to Mason, 9 December 1879, p. 21, N.Y.A. Wales Papers. Roberts to Sanderson, 30 December 1881, 625/34, p. 464, Roberts Papers.
3 Roberts to Murray, 17 January 1879, 625/33, p. 1, Roberts Papers.
4 Roberts to Murray, 17 January 1879, 625/33, p. 1, Roberts Papers.
5 Roberts to Murray, 14 March 1879, 625/33, p. 38, Roberts Papers. Robert Campbell also provided valuations. He too was one of Larnach's friends.
6 Roberts to John Sanderson, 1 September 1881, 625/34, p. 346, Roberts Papers.
7 William Murray to John Roberts, 14 March 1879, 625/9, Roberts Papers.
8 John Sanderson to Roberts, 1 August 1879, 625/10, Roberts Papers.
9 John Roberts to John Sanderson, 26 March 1880, 625/33, p. 502, Roberts Papers.
Clarke asked me to join the Board but, anxious as I would be to oblige a good client as Clarke is, of course I was obliged to refuse - "Lead us not into temptation" but it would take a lot of temptation to induce me to sit at the same Board or have anything to do with Vogel or Larnach, as it is difficult to touch pitch and not be defiled.¹

Sanderson thanked John Roberts for his confidential assessment of the Agricultural Company's properties and remarked that he would not have been tempted even if the economics of the plan had been sound: "I felt strongly the undesirability of being associated with such men as Larnach & Vogel, for it takes 'a lang spune to sup wi' the deil' - and I did not feel that I possessed the 'spune'."² Larnach blamed John Roberts for having played a part in these rebuffs and did not conceal his suspicions. He said nothing to Roberts himself, who noticed nevertheless that "he does not gush when I meet him."³

In spite of all the adverse indications, the successful promotion of the Agricultural Company was announced in February 1879. Shares representing about half the Company's capital were allotted, but these went mainly to the vendors or directors or were non-contributing vendors' shares. Outside shareholders had subscribed not more than a tenth of the capital by May and there may well have been a number of nominees among them.⁴ Most Dunedin men did not have faith in the soundness of the Company. "Few people know better than Larnach how to float a bad concern", wrote Roberts.⁵ "My own impression is that there has been a good deal of dummy work going on."⁶ Ritchie found himself "on the box of a coach for two days behind a good team of horses" with one of Larnach's confidential friends by his side.⁷ "The situation was favourable to talk", and he elicited from his companion many details about the Company, including a candid admission that the land was over-priced.⁸ Although some of the

¹ John Sanderson to John Roberts, 20 May 1880, 625/12, Roberts Papers.
² John Sanderson to John Roberts, 3 November 1881, 625/17, Roberts Papers.
³ Roberts to John Sanderson, 26 March 1880, 625/33, p. 502, Roberts Papers.
⁴ R. Dalziel, Julius Vogel, p. 228. The public eventually took up 16,742 shares, with £7:10 paid on each; 15,500 fully-paid shares were issued to the vendors. Notes on the New Zealand Agricultural Company, Grey Papers, Auckland Public Library.
⁵ Roberts to Sanderson, 13 February 1879, 625/33, p. 26, Roberts Papers.
⁶ Roberts to Murray, 5 May 1879, 625/33, p. 101, Roberts Papers.
⁷ Ritchie to Galbraith, 22 March 1881, p. 367, Ritchie Papers.
⁸ Ritchie to Galbraith, 22 March 1881, p. 367, Ritchie Papers.
Agricultural Company's land had been bought at reasonable prices, Ritchie doubted that it would ever pay a legitimately-earned dividend.

The floating of the Agricultural Company brought little solace to those whom it was designed to rescue. Failure to attract substantial outside investment meant that the original problems were merely concealed, not solved, and for two years the fate of concern hung in the balance. The first £75,000 raised by the Company disappeared into the pockets of Vogel and Larnach, and the funds sent out to the colony up to July 1879 were insufficient to pay the stamp duty on the deeds and other necessary charges.1 There were rumours that the Company could not pay its men and that the old proprietors were going to resume possession.2 "Driver is pretty well flyblown over his big company", wrote Ritchie.3 Debentures were difficult to arrange and any form of payment to the vendors was slow in arriving. Alexander McNeill was clearly worried about his position.4 According to E.C.J. Stevens, Patrick McCaughan was "drinking like a fish".5 Dalgleish reported:

He is out and in here sometimes two or three times a day and seems anxious and depressed, I think things with the Agricultural Co. must be coming to a climax. He sent a long Telegram home to J Clark[e]... urging to reduce price and sell shares as appearances were unsatisfactory here and to be cautious before releasing Mortgages in case Debentures did not sell and the affair go into liquidation... Things altogether are getting peculiarly mixed with them.6

During this tense and uncertain period, friendships of long standing began to falter. Larnach's humour was not improved by the condition in which he found the Agricultural Company after his return from England. Bell, he thought, had thrown away the Company's money "on what he is pleased to call improvements."7 He was dismayed to find Driver had laid claim to the management in New Zealand and relations between them were at a low ebb.8

2 Ritchie to Galbraith, 17 December 1879, p. 39, Ritchie Papers.
4 Stout to Alexander McNeill, 1 July 1879, Stout Letterbook.
5 E.C.J. Stevens to Stafford, 28 December 1879, Stafford Papers.
6 Dalgleish to Roberts, 12 March 1880, 625/11, Roberts Papers.
7 Larnach to Vogel, 25 March 1880, Vogel Papers.
8 See Larnach to Driver, 6 July 1881, Larnach Papers.
McCaughan asked him to oppose the appointment, but Bell insisted Driver should have it for not less than £2,000 per year, and Larnach relented for the sake of harmony.¹

Driver, as usual, was difficult to keep in check and had his own way at the meetings of the local board. "Reynolds Strode Henry and myself are directors", explained Larnach; "Well, Reynolds is a mere child in Henry's hand and Strode is very respectable and nice and gentlemanly but useless."² Larnach looked unsuccessfully for ways "to get rid of Driver".³ He also became critical of Vogel's management of the Company in London and sourly noted: "Vogel thinks only of his appetite and gives very little practical assistance to the company."⁴

This antagonism towards the former Premier was strengthened by a complication arising from the promotion of the Agricultural Company. While in London, Larnach had joined Vogel in the purchase of Robert Taylor's Lora station. Before the incorporation of the Company, the worth of this property fell significantly and they then wished to be relieved of the contract. Larnach has left contradictory accounts as to whether he and Vogel bought the station in their private capacity or as promoters acting on behalf of the Company.⁵ A feeling prevailed among some shareholders that Lora was a private speculation and Larnach had been planning to sell it to the Company at a profit before it had become so reduced in value. Both the London and colonial boards refused to include the station in the Company and Larnach suspected Driver was behind the resistance in the colony.⁶

Larnach was now in a predicament. Taylor's lawyers were clamouring for a settlement of the contract; the Company would not help him and he had scarcely any money. He raised specious legal objections to the sale to stall for time and he urgently sought commission money that the Company owed him and Vogel. This was paid out of money given to Clarke, but Larnach found his share had been held back, possibly by Driver, to cover any liability to which the Company might be exposed.⁷ Larnach wanted Vogel to accept some responsibility in the matter and

---

¹ Larnach to Admiral Mayne, 27 January 1881, p. 120, Larnach Papers. Larnach to Vogel, 25 March 1880, Vogel Papers.
² Larnach to R.M. Robertson, undated (probably June 1881), p. 244, Larnach Papers.
³ Larnach to R.M. Robertson, 15 July 1881, p. 286, Larnach Papers.
⁴ Larnach to R.M. Robertson, 20 May 1881, Larnach Papers.
⁵ Compare Larnach to Vogel, 21 May 1880, Vogel Papers, with Larnach to John Robertson, 29 January 1881, Larnach Papers.
⁶ Larnach to Vogel, 19 June 1880, Vogel Papers.
⁷ Dalgleish to Roberts, 12 March 1880, 625/11, Roberts Papers.
provide him with funds. "Let us fulfil our bargain like honest men", he urged. Vogel, alas, was unmoved by Larnach's plight and no assistance was forthcoming. His attitude clearly infuriated Larnach:

Your treatment of me in connection with the purchase from Calder [Taylor's agent] of Taylor's "Lora" station is simply cruel and disgraceful. You are jointly interested with me and the purchase cannot be got rid of... I have never felt so humiliated in all my life and it has completely upset me from attending to our Company's business. I certainly shall always consider that you could have given more favourable responses to the several urgent telegrams I sent you on the subject. If the matter is not settled satisfactorily very soon the lawyers may have their fling and I think you will regret it.

In the end, Taylor was paid a sum of money to cancel the bargain. The rift between Vogel and Larnach was never satisfactorily patched up and in later life Larnach grew to despise his erstwhile friend. Before his death he penned a bitter response to Mrs Rachel Reynolds, who was seeking a pension for the Vogels:

I am, after careful consideration, of opinion that it was a sorry day for New Zealand when such a distinguished member of the ancient semitic race, composing [sic] the twelve tribes, ever placed his flatted feet on the virgin soil of this young country. Sir Julius Vogel has had quite enough money out of NZealand and its taxpayers. It was not in him to do any act unselfishly...

The realisation slowly dawned upon Joseph Clarke that if his New Zealand acquaintances were not closely watched he would suffer greatly. Bell, who spent most of his time in Australia after 1880, began to side with him against the other members of the group. Clarke and Bell were upset at Larnach and Vogel's determination to treat their own needs as paramount, regardless of the Agricultural Company's delicate situation. John Sanderson found them "evidently much disgusted with Larnach's proceedings."

1 Larnach to Vogel, 7 April 1880, Larnach Papers.
2 Larnach to Vogel, 25 March 1880, Vogel Papers.
3 Larnach to John Robertson, 29 January 1881, Larnach Papers.
4 Larnach to Mrs W.H. Reynolds, 27 May 1898, Larnach Papers.
5 John Sanderson to Roberts, 20 May 1880, 625/11, Roberts Papers.
By 1881 Clarke's patience had worn thin. He bought McCaughan's remaining properties in Southland and paid off the Loan Company. Paddy returned to Melbourne. His final appearance in Invercargill was pathetic. "Nobody took any notice of him", according to William Handyside. "[H]e was driving madly thro' the streets in his usual absurd style." Clarke removed his power of attorney from Larnach and Driver and gave it to John Sprent, a former customs official in Melbourne whom Larnach dismissed as "a poor creature". Larnach was most offended by this action. "It is most disheartening", he told Clarke, "to be tried, judged and found guilty without having the opportunity of being heard in self defence." On another occasion he wrote: "I have to address you as a friend (and I hope I may be allowed still to count you as one)".

Driver and Larnach were still reliant on Clarke for financial support and could not procure funds from their bankers without his guarantee. It was Clarke who in 1881 paid £5,250 in calls long overdue on shares held by Driver, Larnach and Bell in the Waimea Railway Company. The other directors of the Company were at that time threatening to resign as a body if the money were not immediately supplied.

Yet Driver could not resist playing a sly trick on his millionaire colleague. Sprent had been instructed to sell Clarke's Clarendon estate but, before the property was advertised, an offer was received from a butcher, who was in fact a dummy for Driver. The bid of £20,000, which was actually rather low, seemed reasonable to Sprent. He did not seek any local advice and closed the deal with Clarke's telegraphed consent. When the agreement was signed, the butcher announced, "Oh - I have sold it to Mr Driver and he will take up the purchase." Larnach regarded Driver's conduct as shabby. "No doubt Driver will make £10,000 out of the property before very long", he stormed, "... everyone laughs at how the Major [Sprent] has been diddled." All told, as William Murray observed from

---

1 NZLMA Co Minutes, 21 September 1881.
2 William Handyside to Roberts, 19 March 1881, Roberts Papers.
4 Larnach to Clarke, 21 January 1881, Larnach Papers.
5 Larnach to Clarke, 2 June 1881, Larnach Papers.
6 W.C. Roberts to Larkworthy, 9 April 1879; D.L. Murdoch to Larkworthy, 1 March 1879, Larkworthy Papers.
7 Larnach to Clarke, 17 November 1881, Larnach Papers, p. 364. (See p. 366 for payment of the call.)
8 Larnach to J.B. Were, 8 June 1881, Larnach Papers.
9 Larnach to J.B. Were, 8 June 1881, Larnach Papers.
Melbourne, "they (the lot connected with the Agricultural Company) are not the happy family they once were."  

Given the financial plight of the Agricultural Company, it is not surprising that Larnach and Driver sought to economise on the shipping of its wool. Under the agreement with Galbraith all the Company's clips, which were represented as being some 5,000 bales, were to be carried by the Albion Company at current rates. In 1880 Ritchie discovered that Driver had been giving wool to the New Zealand Shipping Company; the total clip, in any case was only 1,300 bales. When Ritchie confronted them, they explained that the Shipping Company gave them a concession of 10%. He offered them the same reduction if they could prove they received the concession. No evidence was provided: "It looks like a 'try-on' of Master Driver - who is fit for anything". Two months later Driver again made demands for a 10% return:  

... on my declining to pay it, as I could not find that the Shipping Co: wld, he used many oaths, & said he wld charter for himself. However next day he came to me like a lamb & said he wld ship.  

In 1881 the Agricultural Company's wool went to the Shipping Company and never returned to the Albion. A concession of 7.5-10% was part of the inducement, but Driver was also standing for the Hokonui seat in Parliament and reputedly needed the Bank of New Zealand's assistance with his campaign. Ritchie pressed Galbraith to "sell out the shares and make it hot for them in a quiet way at home."  

They are very hung dog looking just now & if I had been served as they have served you, I wld advertise their shares for sale by highest tender in all the Scotch papers & get rid of them at any price! They deserve to be exposed.

1 William Murray to Roberts, 16 May 1881, 625/15, Roberts Papers.
2 Ritchie described his meeting with the two in these terms: "I said, smiling, how about the 5,000 bales you hold out as the quantity - to which the reply was that if they overstated the quantity - you [Galbraith] talked of taking 1,500 shares but only took 150! I said I supposed that squared them then!!" Ritchie to Galbraith, 4 November 1880, p. 288, Ritchie Papers.
3 Ritchie to Driver, 22 October 1880, p. 283; Ritchie to Galbraith, 4 November 1880, p. 284, Ritchie Papers.
4 Ritchie to Galbraith, 18 November 1880, p. 295, Ritchie Papers.
5 Ritchie to Galbraith, 1 December 1880, p. 308, Ritchie Papers.
6 Ritchie to Galbraith, 2 December 1881, p. 492; 30 December 1881, p. 507, Ritchie Papers.
7 Ritchie to Galbraith, 1 August 1881, p. 449, Ritchie Papers.
8 Ritchie to Galbraith, 30 December 1881, p. 507, Ritchie Papers.
In 1883 the Agricultural Company was "working hand in glove with the Loan Company", possibly because Vogel was trying to enlist financial aid for the stricken concern through Thomas Russell and D.L. Murdoch. The Agricultural Company's debentures matured in 1884 and, with little prospect of raising further capital on the money market, the London board was prepared to recommend a liquidation. Vogel somehow felt that his personal honour depended upon saving the Company from such an ignominious failure. He restrained the directors by promising to involve himself in New Zealand affairs for the Agricultural Company's benefit. Part of his rescue plan was a quick sale of 30,000 acres at a reduced price, though it was virtually impossible to get rid of the Company's land if buyers remained immediately subject to rate demands from the Waimea Railway Company.

The Waimea Company was in trouble at the same time. Its liabilities were heavy and the line was barely earning enough to cover working expenses. Larnach, as chairman, told shareholders in 1884 that the only hope of making the railway profitable lay in calling up the remaining capital to clear off its debts and entitle it to charge the full rate upon landowners. For the Agricultural Company this would mean an onerous payment of £8-10,000. Vogel saw that he must arrange for the Government to buy the railway, thus cancelling the rate and improving the chances of renewed land sales.

Among the difficulties in the way of this result was the development of conflicting interests between the companies. Driver threw up his stake in the Agricultural Company in 1882 after the London board forced him out of the management in New Zealand. They had found him extravagant, obdurate and uncommunicative. In 1885 Larnach bemoaned the fact that he had not sold out of the Agricultural Company on leaving London, "but now having held so long I suppose I must see the end of it in a proper way." He appears not to have done

1 Ritchie to Galbraith, 28 December 1883, p. 58, Ritchie Papers. Vogel to T. Russell, 4 January 1883, Outwards Correspondence, Vol. 4, p. 244, Vogel Papers.
4 Otago Witness, 22 March 1884, p. 11.
5 D.A. Hamer, "The Agricultural Company and New Zealand Politics, 1877-1886", p. 150. The rate of 3s 4d in the pound, which was proposed at the 1884 general meeting of the Waimea Plains Railway, would have cost the Agricultural Company £3,000. Otago Witness, 29 March 1884, p. 11.
7 Larnach to Petersen, 21 January 1885, Larnach Papers.
so, quitting his shares - at least on paper - by the end of that year. Both men now concentrated their attention on the Waimea Company. Joseph Clarke was left as the only vendor to hold shares in both companies and the mutuality of interest between the two corporations no longer existed.

After Vogel succeeded in forming a Ministry, this fact was to cause problems when it came to making terms for the purchase of the Waimea Railway by the Government. The directors wanted the line to be purchased for a sum that would meet the cost of its construction; the Government offered terms that would cause a loss to shareholders of £10,610, nearly a third of the paid up capital. At length the transfer was negotiated at a price that left proprietors of the railway with a loss of £1-18-0 per share. They had never received a dividend.

Together with the sale of the Duntroon & Hakataramea line, this brought to a close a venture that had long embarrassed Dunedin’s business community. "From its initiation", said Driver in 1885, "the Waimea Plains Railway Company had been made a sort of political bogus which people in the North Island could refer to as a gigantic swindle." Behind the scenes, Larnach worked hard to remove obstacles to the sale of the railway. A private letter revealed that the task was proving another trial to him:

I have been working for months with all my influence to get the government to agree to take over the Waimea Plains Railway and so save the [Agricultural] Company thousands in rates, while the London people don’t seem to recognise who their real friends are. If they get my back up I can make it pretty warm for them in another direction they little dream of. I have lost money by the Company, and so no doubt I am not going to be bounced or I will refuse absolutely to do anything.

---

1 D.A. Hamer, "The Agricultural Company and New Zealand Politics, 1877-1886", p. 151, fn 60. See R.H. Leary’s evidence before the Public Accounts Committee in 1885 (AHR, 1885, 1-7A, p. 8). Leary’s statement that Larnach was no longer a shareholder is difficult to reconcile with the fact that the Company brought a large claim for unpaid calls on shares that Larnach had transferred to his son. In a letter contained in the Larnach Papers, dated 2 June 1886, Larnach mentioned that Valentine was pressing him for payment of calls, including those owing on the one thousand shares he had given Donald Larnach.


3 ODT, 20 June 1885.

4 Evening Post, 24 October 1887. ODT, 14 June, 25 October 1887.

5 ODT, 9 June 1885.

6 Larnach to Petersen, 2 June 1886, Larnach Papers.
Negotiations made only slow progress, with the Government offering terms that would leave a loss of 28% on the capital, while the directors held out for the actual cost of the line.¹

The sale of the Waimea Railway did little to revive the Agricultural Company. Within a few years it was virtually moribund, the demand for its land having all but dried up. The £540,000 of debentures had been renewed by a hair’s-breadth in 1885 and only after great personal exertions on the part of the London directors.² When these fell due in 1890, there was no possibility that the Company could continue.³

Financially, the Agricultural Company had been a disaster. In 1903 its members received 10s back from the £7 10s per share they had contributed.⁴ For Larnach, the Agricultural Company's poor performance was another crushing blow to his morale, coming as it did on top of personal tragedies and the failure of his Woodware Company. Gloomy presentiments of death began to creep into his correspondence. In 1881 he told a friend that he was putting his house in order as best he could, "for life is very fickle - and short in the end."⁵ Criticism of his part in the affair eroded further his crumbling prestige, something that Ritchie was keen to impress upon Galbraith. "Larnach and his crowd are getting into very shady repute out here".⁶ He reiterated the point a few months later: "[a]nything I may have written of Larnach is short of what is his due. It is hardly safe to put everything in black and white."⁷ At the time of Larnach's death in 1898, the Agricultural Company's liquidators had issued a writ to recover £32,457 from his son Donald, a sum representing unpaid calls on shares which Donald held for his father.⁸

The episode was also very damaging for Vogel, who lost caste in the eyes of the British financial and political establishment.⁹ Similar displeasure was voiced in

---
¹ ODT, 20 June 1885.
⁴ ODT, 3 December 1903.
⁵ Larnach to R.M. Robertson, undated (probably late 1881), Larnach Papers.
⁶ Ritchie to Galbraith, 11 August 1881, p. 449, Ritchie Papers.
⁷ 2 December 1881, Ritchie Papers.
⁸ Probate File A-848, Dunedin High Court.
⁹ In 1887, for instance, Ritchie urged George McLean: "... pension Vogel - or bury him! His name does stink here [in Britain]. I have met W.H. Smith (First Lord of Treasury) and was the other evening at a reception
the colonies. The AIBR saw "the abuse of recklessly-managed companies of the confidence reposed in them" as the greatest threat to the flow of British capital to Australasia:

There cannot be a more telling example of mal-administration such as we deprecate than the condition of a New Zealand concern... the New Zealand Agricultural Company... which was started a few years ago by Sir Julius Vogel and Mr W.J.M. Larnach and a few of their friends...¹

Driver appears to have been incapable of feeling shame and moved unconcernedly into other business ventures. McNeill settled in Wanganui.² G.M. Bell returned to live at Waimea after having mulcted Clarke for £21,000 in legal damages.³ His daughter married a Tasmanian and he left to live with her in 1898.⁴ Poor Clarke was probably the greatest loser by the Company and must have regretted the trouble his friends had caused him. He probably sustained heavy losses in the slump following the Melbourne land boom. It is reported that his mistress tried to defraud him of large sums of money and had to be spirited off to Hawaii.⁵ When he died in 1895 he owed a debt of some £300,000 to the Colonial Bank of Australasia which does not seem to have been covered.⁶ Ironically, the man who best survived the Agricultural Company fiasco may have been Patrick McCaughan. He lived out his days in the fashionable Melbourne suburb of St Kilda but made lengthy visits to Dunedin. In 1888 the ODT reported that he had netted £200,000 from silver and property speculations during the boom and had decided to rest content at that.⁷ "His luck seems to stick to him", wrote Larnach enviously.⁸

¹ AIBR, August 1885, p. 444.
² Invercargill Manager's Letterbook No. 3, p. 163, Bank of Australasia, ANZ Archives.
³ ODT, 17 June, 9 September 1884. Otago Witness, 23 July 1886. Bell sued Clarke on the basis that he had expended much more on controlling the rabbits than had the other vendors and the price he received for his land ought not to have been reduced by Clarke.
⁵ M. Cannon, The Land Boomers, Melbourne 1966, p. 89.
⁶ Probate File 2765, Old Series, Dunedin High Court.
⁷ ODT, 4 August 1888.
⁸ Larnach to Pym, undated, p. 6, 1889, Larnach Papers. McCaughan's finances were sound enough in the 1890s for him to make loans to his close friend, Joseph Ward. McCaughan stood by Ward during the latter's bankruptcy and helped him stifle the opposition of disaffected shareholders in the Ward Farmers' Association. They were, of course, both Roman Catholics. See "A Romance of Trade and Politics", V.M. Braund, Wellington, 1905.
CONCLUSION TO PART FOUR

The circle comprising Larnach, Driver, Reynolds, McCaughan and Vogel was one of the more prominent in New Zealand business in the late 1870s. With the wealth of the Clarke family behind it and the high political profile of all its members, it was indeed a formidable grouping, quite capable of influencing the course of national politics in the pursuit of their business objectives. In Otago politics, Driver, Reynolds and Vogel formed the backbone of the "High Street" faction in the Provincial Council. During the same period, Larnach had emerged as the most influential figure on the local business scene.

The Agricultural Company marked a turning point in the fortunes of this combination. The whole affair was acutely embarrassing. Relations among them deteriorated, reputations were tarnished and the incubus of financial worry persisted. Meanwhile, their Dunedin enemies relished the spectacle of their misfortune. But the fate of the Company also had ominous implications for the business community as a whole. Essentially, the Company had failed because of the rabbit pest, the deflation of land speculation after the City of Glasgow Bank collapse, the fast-diminishing returns from its produce and the fact that the land had been over-valued in the first place. These were problems that affected many of the investments which Dunedin businessmen had entered into during the excited times of the 1870s. In the following decade, the Otago business community underwent another period of upheaval from which only some of the "inner circle" would emerge unscathed.
INTRODUCTION TO PART FIVE

Part Five considers the progress of the "inner circle" during the financially troubled times of the 1880s. The relevant literature gives rise to some strong expectations about how men in their position were likely to fare and it is convenient to begin by referring to this material.

Hawke's analysis of the "Long Depression" has helped to clarify the general nature of this phenomenon. He notes that it does not conform to the modern understanding of a depression in the sense that average real incomes, instead of falling, remained relatively static in the 1880s or declined only briefly. This does not imply that contemporaries were mistaken in describing the years 1880-96 as a depression; it merely reminds us that the technical meaning of the term has changed to include more than downward movements of prices and exports. Hawke nonetheless rejects the popular view that the depression was directly linked to reprehensible speculation in the 1870s and came to an end "when there had been sufficient penance for past extravagance." He attributed the lack of income growth to the fact that the high interest burden incurred during the 1870s was no longer balanced by creditors re-investing in the domestic economy.

This pattern is regarded by Hawke as the result of certain features of the national economy. In particular, he argues that the woolgrowing industry had reached the limit of its expansion given the available technology. Other export activities and manufacturing could not compensate for this by providing alternative opportunities for investment. Government retrenchment created further apprehension in possible investors, and the Victorian boom of the late 1880s diverted local investment into the Australian economy. This ceased when local investors (whether or not assisted by overseas financing) began once more to regard New Zealand as an attractive place to deploy their capital. According to

---

2 G.R. Hawke, The Making of New Zealand, p. 82.
3 G.R. Hawke, The Making of New Zealand, p. 83.
Hawke, the crucial event in bringing this about was the success of the trade in refrigerated meat and dairy products towards the end of the century.¹

Although there may be some debate among economic historians as to the underlying causes of the depression, the issue of most concern here is its effect on the uppermost stratum of society. The traditional view was expressed by W.P. Reeves, who considered the Long Depression to be an important turning point in New Zealand history. Pressured by debt, falling returns and ecological problems, the great landowners and pastoralists found their economic and social power much eroded by the end of the 1880s. This decisively altered the balance of power in politics and assisted the rise of the Liberal-Labour alliance during the last decade of the century.² Reeves' judgement was doubtless formulated with the assistance of first-hand observation and a thorough knowledge of contemporary opinion. Sinclair, his biographer, reached a similar conclusion. In the 1880s, "the old 'Establishment', dominated by squatters, speculators, merchants, British gentlemen and their ladies, was falling apart in a wave of abscondences, defalcations and bankruptcies".³

Latterly, the received interpretation has been turned on its head by what might be termed the "insulation" theory. This is stated in its most radical form by Eldred-Grigg. He argues that the South Island gentry emerged from the depression practically unscathed. Indeed, he alleges that by 1890 they were "perhaps more securely entrenched than ever."⁴ Economic pressures were therefore not responsible for the waning of the gentry; that trend is attributed to "psychological" factors, particularly a fear of the "Liberal" Government's land policies.⁵ Much the same thesis is advanced by Olssen. In his account, bankruptcy among the pastoralists was confined to "[a] few" while those on the lowlands actually "prospered" during the 1880s.⁶ Some of the great estates were later divided through the process of partible inheritance, others because of "Liberal

¹ G.R. Hawke, The Making of New Zealand, pp. 82, 83.
⁴ S. Eldred-Grigg, A Southern Gentry, p. 117.
animosity" or because it was profitable to do so. Closer settlement was, in any case, something of which the gentry approved - or so we are assured. Unlike Eldred-Grigg, Olssen also has the task of explaining how the depression affected the urban "elite". The "insulation" theory is again relied upon. Although the depression severely hurt local business, the "elite" survived it "reasonably well" and emerged with its control of the provincial economy intact. The "informal board of directors for the local economy", which had supposedly existed since the late 1850s, was seemingly unshaken by the upheavals which destroyed the "limited circle" of Auckland. In the early part of the 1880s "men with money" were deterred from farm investments and put their capital into coal, manufacturing and shipping ventures. This presumably insulated them from the worst effects of the slump, though the struggle for survival could not have been terribly arduous because the 1880s and 1890s were "profitable decades".

If the depression of the 1880s was not a great turning point in the history of Dunedin's "elite", why were the city's "merchant moguls" to be found in a "retreat" towards the end of the century? In part, it was because their political power had been stripped away by the rise of Dunedin's increasingly unionised working class. In the election of 1890 the "elite" (now described as the "commercial elite") was "dismissed". This result is attributed to increasing class consciousness among the city's working people. But no reference is made to internal developments within the elite, which might have had some bearing on its fading importance.

For the rest, Olssen's explanation again relies heavily upon psychological factors. The "mercantile-financial elite" was in awe of the Liberals. It was intimidated by the rapid expansion of the North Island and demoralised by the collapse of the Colonial Bank. Some of its members left the Province; others failed to produce male heirs. The first generation of business leaders began to lose vision and cohesion. Instead of confronting the challenges of the new century, they chose

8 E. Olssen, *A History of Otago*, p. 112. Olssen qualifies this comment by noting that James Mills defeated the Secretary of the Port Chalmers Seamen's Union. As this Union is described as the most powerful in Otago (p. 110), that result seems problematic.
instead the peaceful enjoyment of their earlier successes.\(^1\) While in Auckland a new group of business leaders stepped forward to replace the shattered "limited circle", Olssen discerns no parallel revival in Dunedin.\(^2\) The new generation lacked entrepreneurial flair and it is hinted that at least some were not really interested in business at all.\(^3\)

The implications of this argument for the history of Dunedin's "inner circle" are most easily grasped through a comparison with the fate of its Auckland counterpart. By the mid-1880s, Auckland's localised boom had subsided and the city was "overwhelmed by depression".\(^4\) According to Stone, some of the city's elite survived - he mentions specifically only Logan Campbell and Nathan - but most did not.\(^5\) The collapse of business at the end of the decade helped make those years "one of the great discontinuities" of Auckland's history.\(^6\) The depression, he argues, had distinct social overtones: "It involved the discrediting of an old-established commercial elite."\(^7\)

From the contrast between Stone's portrait of the Auckland business community and Olssen's description of the Dunedin "elite", it might appear as if the latter group were endowed with qualities of resilience that the other did not possess. Were that the case, it would be necessary to show why the insulation theory is applicable to the South Island but not to Auckland, whose business community continued to prosper handsomely until a comparatively late date. This would indeed be a difficult task. In reality, the difference between the two interpretations might not be so great, and is partly to be explained by the different meanings attached to the term "elite". Stone uses it to denote the apex of the business community in Auckland: that is, a group similar to the "inner circle" of the present study. Olssen, on the other hand, applies the label to a broader category, some 4% of Dunedin's population.\(^8\) Nevertheless, one would expect the fate of Dunedin's foremost businessmen to reflect the experience of the larger

---

\(^1\) E. Olssen, A History of Otago, p. 128.
\(^2\) R.C.J. Stone, Makers of Fortune, p. 69.
\(^3\) E. Olssen, A History of Otago, p. 128.
\(^4\) R.C.J. Stone, Makers of Fortune, p. 64.
\(^6\) R.C.J. Stone, Makers of Fortune, p. 71.
\(^7\) R.C.J. Stone, Makers of Fortune, p. 55.
\(^8\) E. Olssen, A History of Otago, p. 127.
group, and Olssen appears to be making several claims that are relevant as background to the history of the "inner circle" during the depression.

According to Olssen, the agricultural sector remained stable despite the fall in prices and other adverse factors. Most of its investors survived by retrenching and those on lowland estates remained comfortably prosperous. This implies that the business community, whose fortunes were intimately connected with the rural economy, would not have been exposed to serious pressure from that quarter. When faced with a decline in returns from rural investments, the monied men of the province invested in manufacturing, shipping and coal. Later, the dredging boom of the 1890s infused vigour into the engineering industry and the local economy in general. It is implied that the formation of new companies continued at a strong rate in spite of the recession and these ventures played an important part in ensuring that the depression was in fact a "profitable" time for the city's capitalists.

As a preliminary to the case studies of the "inner circle", which form the main subject of Part Five, some of these claims will be examined to test how far they assist our understanding of the forces acting upon the business community in the 1880s. Although Olssen places emphasis on pastoral and industrial pursuits, it will also be necessary to consider developments in the financial sector, to which the "inner circle" had always been closely linked.
CHAPTER ONE - DEVELOPMENTS IN THE RURAL SECTOR 1879-90

Eldred-Grigg's claim that the large landowners of the south "were prospering quite nicely" during the 1880s and 1890s is based on a selection of apparently profitable holdings or, in some cases, profitable years on particular estates, mainly in Canterbury.1 Burnard's research has encouraged the assumption that this was also typical of Otago estates. His survey of the probate records of certain North Otago freeholders showed that a number of them died wealthy men. The administration accounts of W.H. Teschemaker's estate and the ledgers of the Tokorahi property of Anthony and Ronald McMaster led him to infer that these holdings were probably yielding a comfortable return of 3-5% on the estimated value of the capital assets.2

Unfortunately, neither of these sources casts any light on the situation before 1887, and the McMasters were not able to show such a good result until there was an increase in their wool cheque at the end of the decade. Like Eldred-Grigg, Burnard attempts to extrapolate average incomes from fragmentary data. He makes much of the high returns from wheat farming in the 1870s and estimates John Reid's annual profits at over £14,000.3 Without considering the vagaries of the grain market, calculations based on what might be unusually good years must be treated with caution. It is, of course, an economic rule of thumb that high profits often involve high risks, and in 1874 Reid was understood to have dropped £6,000 on his farming operations - "Rather good", thought Ritchie, "after all his big talk &c &c."4

The question raised by the "insulation" theory is whether this evidence is sufficient to conclude that the business community was propped up during the depression by the relative prosperity of its rural sector, on which it was so heavily dependent. The surviving financial records of estates from this period are likely to be so incomplete as to preclude a large-scale statistical study of profitability. Although this helps to justify the reliance being placed on the limited data that is available, the picture that is formed may not be typical.

3 T. Burnard, "A Colonial Elite", p. 44.
4 Ritchie to Russell, 24 August 1874, p. 127; 17 November 1874, p. 172, Ritchie Papers.
The size of a deceased estate is not always a safe guide to the profits that the former owner might have made from a particular asset over a given period. Burnard lists eight deceased estates of North Otago landowners. Two of these - Borton's (£2,810) and Menlove's (£11,645) - are surprisingly small, and the explanation for this is not obvious. It is likely that much of the wealth of W.H. Teschemaker (£70,723) and John McLean (£224,182) had been accumulated before the onset of the depression. Teschemaker did not live through the depression, dying in 1888. Robert Campbell's probate file does not contain a valuation of his estate, but he died without an heir, and his wife, who died shortly after him, appeared to leave £46,400. Although the Campbell empire had been incorporated well before this date, it is still curious that this branch of the family was not in an even healthier position. Richard Oliver (£103,537) died in England in 1910 and the details of his estate reveal much more about his share investments than the profitability of his North Otago property two or three decades earlier.

Other wealthy men had invested in North Otago land - Miller, Bell and Gardiner to name a few - and the district probably contained more such individuals than did any other part of the Province. This was not the result of geographical factors alone. Many of these investors had already amassed substantial capital and, like the Canterbury estate owners, had had the opportunity of acquiring large freeholds when the price of land was cheap. But the evidence of profitability during the 1880s is not extensive and we know little about the debt-servicing that other estates in the district might have been required to support.

The "Oamaru Lords" were not invulnerable. Ritchie was informed that Fairfax Fenwick's estate had turned out poorly and an inventory of his property in 1884 suggested a modest surplus of £4,535 after the deduction of his mortgage debts. Dr Webster left almost nothing for his widow when he died in 1877. McAloon has argued that pressure from mortgagees has been exaggerated in previous accounts of voluntary subdivisions and compulsory sales under the Liberal Government. In so doing, he provides further evidence of the debts carried by some North Otago landowners. In 1895, A.A. McMaster had an equity

\[\text{References:}
1. Ritchie to C. Teschemaker, 16 July 1885, p. 334, Ritchie Papers. Probate File 1179, Dunedin High Court.
of only £7-8,000 on a property roughly valued at £85-95,000.\(^1\) Borton and Menlove were both forced to sell large blocks at the instance of their mortgagees.\(^2\) John Douglas was obliged to sell his southern estate, Pomahaka Downs, when the Union Bank called up its mortgage in 1893.\(^3\)

The high grain prices that had helped to shore up the value of freehold land in the 1870s declined markedly during the following decade. In 1885 wheat returned less than half the price it had fetched at the height of the land boom in 1877 and prices remained generally low, slumping again in the mid-1890s.\(^4\) The effect of market conditions was aggravated by some bad harvests, especially in 1880 and 1886. In 1885 only 114,903 bushels of wheat were exported from Oamaru and Dunedin, compared with 738,693 in 1879.\(^5\)

It is generally accepted that the rise of the refrigerated meat industry was a key factor in pulling the New Zealand economy out of depression. Eldred-Grigg goes further than this to suggest that the export of frozen meat was a bonanza for the large estates almost from the beginning. Springfield, he asserts, "was sending away 9,800 frozen lambs only six years after the first shipments had begun [in 1882] and was earning £10,000 per annum from it."\(^6\) This implies a return of more than £1 per carcase. In 1888 the best price Otago producers could get for a frozen sheep was 8s 6d and there were complaints that returns to farmers were generally inadequate.\(^7\)

The early history of refrigeration in Otago is of some interest, for it touches upon certain matters that have been raised elsewhere in this thesis. A year after the first shipments, the New Zealand Refrigerating Company was challenged by a proposal to float a rival venture, the Otago Meat Freezing & Produce Company. The main cause of discontent was that shares in the Refrigerating Company had been monopolised by big capitalists. These men used up all the capacity of the freezing plants and prevented smaller farmers from exporting their surplus stock.\(^8\) The list of flockowners who had exported frozen meat in the first two years of the New Zealand Refrigerating Company's existence shows that this allegation was

---

5. Statistics of New Zealand, 1877-1887.  
well founded. William Cunningham Smith attacked the promoters of the new company, claiming that they had "an intimate connection" with the NZLMACo. Ritchie made similar insinuations. He said that the Otago Meat Freezing Company had been got up "by those interested in share brokerage, billets, or control and manipulation of the trade in London."

The Loan Company was indeed interested in the proposal, but seemed unenthusiastic about the prospects of the freezing industry in general. Driver's replacement, Donald Stronach, had earlier advised his directors that he did not believe the New Zealand Refrigerating Company would be "a very paying speculation". The rival concern attracted attention because it might break the monopoly that the New Zealand & Australian Land Company seemed to be developing (the directors of the Refrigerating Company having decided to consign all its produce through the agency of the Land Company). Stronach predicted that support for a new company would be easily obtained among farmers from Oamaru to South Dunedin, "specially... constituents of the Bank of New Zealand." If the Loan Company did not take the initiative, "the business would fall into other hands." In the event, the Otago Meat Freezing Company had a short history. At its first annual meeting it was reported that the directors had decided not to commence business because "the home market for frozen meat has... given so little encouragement to proceed..."

Throughout the 1880s the growth of the frozen meat trade was seriously hampered by two factors: the high cost of carriage and the limited tonnage available to shippers. In 1885, the meat companies blamed the rates charged by the shipping lines for the fact that there was no adequate profit to growers and
frequently very considerable loss.\footnote{ODT. 21 October 1885.} This situation had come to pass through the acquisition of exclusive rights to the Bell Coleman and Haslam patents by Shaw Savill & Albion and the New Zealand Shipping Company. Haslam was supposedly receiving a royalty of £10,000 for withholding the apparatus from other parties.\footnote{ODT. 21 October 1885; 5, 6, August 1886.} As discussed in Part Four, the shipping companies had invested heavily in steamers, and it was believed that their monopoly over the export of frozen produce was designed to recoup this outlay. Wool rates were also 20-25\% higher than those paid by Australian shippers and this was attributed to the same cause.\footnote{ODT. 26 July, 4 August 1888.}

Shipping rates remained high until at least 1888, when competition from the Tyser line forced a change in the policy of the other shipping companies.\footnote{ODT. 2 August 1888.} The early years of the frozen meat trade are therefore a further illustration of the influence that the shipping companies could exert over the domestic economy. The London prices for frozen meat improved in the last year of the decade, but the shortage of tonnage was still a grievance.\footnote{S. Eldred-Grigg, A Southern Gentry, p. 115.} While refrigeration was hailed as a great advance in the farming industry, its expected benefits were slow to arrive. There are few signs in the 1880s that it delivered profits large enough to compensate for the collapse of wool and grain prices. Towards the end of the decade, the recipients of any profit were actually becoming fewer. Whereas in 1885 a total of 120 shippers consigned meat through the New Zealand Refrigerating Company, this figure had dropped to 107 in 1887 and only seventy-one in 1888.\footnote{ODT. 21 October 1885.}

It must be remembered that the prosperity of the Dunedin business community in the 1870s owed much to the flourishing wool industry and the great wool clips produced in the central and southern parts of the region. Even if estates in North Otago "positively thrived," as the revisionists believe, it is doubtful that this was representative of the rural sector as a whole. Elsewhere, the great flockowners faced hard times. Sheep numbers were drastically reduced by the snows of 1878. The losses were worst in the south, but Hubert Ostler remembered...
his father losing practically his whole flock of 30,000 sheep on Ben Ohau station.  
A third to half the flocks on Southland stations were lost.  
Sheep numbers in Otago and Southland were estimated to have dropped by 600,000 between 1877 and 1879 owing to the combined effects of rabbits and snowstorms.  
There was a sharp rise in the price of wool in 1880 - a phenomenon that is now difficult to explain - but the drop in sheep numbers meant that this improvement could not be fully exploited by many of the squatters.

By the late 1870s, rabbits had wrought utter devastation in Southland. John Turnbull, manager of the NZLMACo in Invercargill, advised in 1877 that most station properties had suffered serious depreciation. In a report to his Auckland directors he proposed, in the light of "the decadence of the runholding interest" to make efforts to build up a connection with the "yeomen farmers" who were likely soon to be the economic mainstay in the far south.

The rabbits are ruining Southland", wrote Ritchie, "... it seems everybody is in the depths of despondency there...". Mathew Holmes told him that he could not make any profit out of his Castle Rock station: "he has £80,000 invested there - so that is a nice result". In 1887, the NZLMACo reduced the interest charged on some of its Southland accounts. The clients involved had become "completely discouraged" by the low returns of previous seasons, and their immediate prospects gave them "little encouragement to persevere in what has been really a struggle for bare existence." The Loan Company felt obliged to make these concessions "in consequence of the total absence of any outlet for the sale of property of any description in the Southern District of the Middle Island...."

Central and North Otago became infested with rabbits in the early 1880s. A number of leases in the Wakatipu district were abandoned because of the

---

2 See Appendix 48, Volume Two.
3 NZLMACo Minutes, 16 January 1879. John Murray to General Manager, 4 December 1879, BNZ Archives.
5 NZLMACo Minutes, 1 May 1879. In 1888 the inspector of the NZLMACo reported that the "live" business of the Dunedin branch was improving, "especially among yeomen farmers". NZLMACo Minutes, 14 March 1888.
8 NZLMACo Minutes, 1 June 1887.
9 NZLMACo Minutes, 1 June 1887.
magnitude of the problem, including several in which the Loan Company had been involved during Driver's tenure as manager. The firm of Hogg Howison & Nicol attempted to foist their lake country runs upon a public company. A prospectus was issued containing a series of representations that could only be described as fraudulent. The \textit{ODT} exposed these deceptions and the Chamber of Commerce condemned the proposed company as a grave threat to colonial credit abroad. By the middle of the decade the economics of runholding had become so marginal that there was talk of organising the surrender of a large number of leases in the hope of obtaining cheaper rents when they were re-let by the Government. A deputation of Otago businessmen approached the Government with this object in view in 1886. Ritchie thought that most of the leases if auctioned again would not fetch 30-40% of the current rentals.

The declining value of wool was a major factor in this crisis. Prices had fallen steadily since June 1880, but the drop had been gradual to the end of 1884. A collapse of the market in the following year led the \textit{Argus} to describe it as "the most disastrous in the history of the Australian wool trade." One hundred thousand bales of wool were retired from sale and it was expected the surplus would be difficult to clear and would keep prices low for some time. Over-production was generally blamed for the lack of demand. In the previous decade the Australasian clip had increased from 700,000 bales to 1,110,000 bales and that of South America by nearly 50% to about a million bales. Although opinions varied, few realistically believed that prices would quickly recover, given the rapid expansion of woolgrowing in Argentina. Returns to Otago producers from the 1885 sales were about 35% below those received in 1882, and this completely upset the calculations upon which those producers had purchased their leases.

2 These men were all members of the Otago Club. Hogg Howison & Co appears to have failed in 1892. Ritchie to Walter Brodie, 10 February 1897, p. 375, Ritchie Papers.
3 \textit{ODT}, 16 April 1886.
4 \textit{ODT}, 23 February 1886. The members of the deputation were John Roberts, James Rattray, E.J. Spence (Dalgety & Co), A.C. Begg, Robert Campbell and George Joachim.
5 Ritchie to C. de Vere Teschemaker, 10 September 1885, p. 370, Ritchie Papers.
6 Quoted in \textit{ODT}, 18 September 1885. This article mentions that efforts were being made to establish a wool trade with Japan and China.
7 \textit{ODT}, 18 September 1885.
8 \textit{ODT}, 18 September 1885. An Argentinian bale contained twice the weight of wool held in an Australian bale, but I assume this was taken into account in these figures. See \textit{ODT}, 20 October 1885.
9 \textit{ODT}, 23 February 1886.
As Appendix 15 suggests, these adversities resulted in a major tenurial reorganisation. Some thirty-eight runholders or large estate owners can be identified as having experienced serious financial difficulties in the period after 1878.1 This number is difficult to reconcile with Eldred-Grigg's picture of an entrenched "gentry", who were better placed in the early 1890s than they had ever been. Appendix 15 reveals that the number of sheepfarmers in 1870 who struggled through to 1889 was not great. Even taking a broad definition of the term, the "gentry" element among the survivors was little more than a tenth of the original sample. The size of this group is small enough to create a doubt that the flight of the gentry in the Liberal era was so a marked feature that it requires a special, psychological explanation. There appears to have been a high rate of attrition well before any political panic might have set in during the 1890s.

In some cases, the evaporation of wealth occurred remarkably quickly. In 1885, for example, John Butement was described by his Loan Company manager as "a wealthy undoubted man"; in 1888 Butement was forced to seek a release from his liabilities in exchange for the surrender of his property.2 An early start in the industry was no guarantee of security. Included among the insolvent are some of the earliest runholders - Cargill, Miller and Raymond - who were burdened by very high debts. Raymond "did not owe a sixpence" in the mid-1870s and his clip was worth £5,000 a year.3 Owing to the rabbit plague and unwise land purchases, he ran up a debt of £19,000 and was near bankruptcy by 1879.4 Even unencumbered properties were failing to earn profit. Dalgety & Co made a loss of £10,000 on Morven Hills in 1885 and Ritchie and Teschemaker's Otematata only covered expenses. Both stations had cost well over £100,000 and were well stocked and efficiently run.5 The Preston family's Lonslip property earned either very little profit or lost money during the middle of the decade, and further losses were experienced in 1895-98.6 In 1886 it was necessary to surrender one of the runs making up the estate because the rental could not be paid.7

Although the statistical data concerning estate profitability may be sparse, the surviving records of the banks and loan companies confirm that the state of the

---

1 See Appendix S0, Volume Two.
2 NZLMACo Minutes, 25 June 1885; 13 June 1888.
3 Roberts to Sanderson, 18 December 1879, 625/33, p. 343, Roberts Papers.
4 Roberts to Sanderson, 18 December 1879, 625/33, p. 343, Roberts Papers.
pastoral industry was causing alarm by the mid-1880s. Some of the issues raised by the "insulation" thesis were specifically addressed in Ritchie's correspondence and it is impossible to ignore his clear-sighted analysis of the situation. Three themes that run strongly through this material are: the imbalance that had occurred between the capital invested in land and the income it was capable of earning, the uncertainty of land values (through the drying up of sales and the failure of properties to show profits), and the widespread burden of indebtedness.

In terms of land prices, Ritchie thought the "natural growth" of the economy through immigration and production had been anticipated by ten to fifteen years. Some purchasers had based their calculations on receiving maximum returns for produce, often relying on a high price for wheat. But the harvest of 1879 was poor and the demand for exported grain was only moderate. Many others seemed not to have considered whether an investment in land would yield a profit through farming and had simply gambled on a continuing rise in land values. The impossibility of selling, except at a loss, now required them to face up to this:

Everybody now wants to know what you can make out of land - a pertinent question but one that was seldom asked until lately. Several new men from home whom I have seen or heard of say, your land is good, climate good, but where is your market? and at the prices for your market how can you make interest? Then people have discovered what for long they shut their eyes to, that a farming capital is as much required as capital to buy land with. They used to think that it was enough to get the land - Even by borrowing a little to do it. Now they find themselves heavily in debt with no chance of paying out of the land.2

Ritchie's correspondence offers little support for the view that freeholders rode out the depression in relative comfort while runholders on the higher country endured greater hardships. So much borrowed capital had been invested in highly-priced freeholds that, as early as 1880, these estates were of much greater concern to him.3 In 1886 he welcomed the temporary rise in wool, but cautioned:

For freeholders the advantage is trifling and this class with their "big" mortgages is the sorely troubled one - & that which is

1 Ritchie to Galbraith, 11 February 1880, p. 64, Ritchie Papers.
2 Ritchie to Davidson, 12 February 1880, p. 68, Ritchie Papers.
3 Ritchie to Grenfell, 10 June 1880, p. 165, Ritchie Papers.
causing the evil in all branches of trade - I don't [know] what is going to save them but a white wash.1

To his mind, the inflation of land values and over-borrowing left only two possible outcomes:

... we must either have a proper boom in land - or get rid of our burdens by the operation of the Bankruptcy laws... & this latter means great distrust of us at home owing to the losses which home lenders of all kinds wd make by us. I don't see where the boom is to come from. The other operation is going on every day - but so far chiefly by [settlers?] stuffing up the Loan Companies and Banks - who swallow the dose perforce - and will retain it until they can swallow no more - then ______ May my foresight be all wrong!2

Although Ritchie's "foresight" was by and large accurate, the prospect of a tenurial upheaval did not entirely dismay him, and his predictions about the future of agriculture had an almost prophetic ring:

The state of congestion existing at present is due to the dislike to face a serious depreciation in the value of land - which must be faced & which no rise in wool I fear can deliver us from - I have no doubt it will all end in good, driving people to be content with more moderate areas, instead of ruining themselves by greed of acres: forcing them to vary their productions, and take more pains in their methods of agriculture. Frightening them from trusting so much to borrowed money. Reducing the cost of money covered by good security - and more than anything else impressing economies upon everybody. Fortunes are wasted every year in these new countries - Therefore for all those who can afford to wait - who have faith enough not to mind a large nominal depreciation in their properties - & ability to stand some losses, I believe all will come right and be better than before. But there is certain to be more trouble & many "broken heads" before we get through - and probably something like panic among home lenders.3

1 Ritchie to Ross, 23 December 1886, p. 117, Ritchie Papers.
2 Ritchie to W.S. Davidson, 13 November 1886, p. 96, Ritchie Papers.
3 Ritchie to John Ross, 1 June 1886, p. 488, Ritchie Papers. Given this stream of advice to Davidson, it is not surprising that Hanham ascribes his success to a more realistic appreciation of land values than that of other businessmen, such as Thomas Russell. H.J. Hanham, "New Zealand Promoters and British Investors,
It would appear from these remarks that, for at least some of the large estates, the writing was on the wall long before the Liberals gained power. In spite of several good years from 1890-92, the worst was not over. Men whose names were synonymous with wealth and stability were experiencing liquidity problems. In 1895, after two calamitous seasons for grain and wool, Ritchie wrote to Davidson:

... many old settlers are getting cornered - the Studholmeses... they say J. Grigg - E. Menlove - Borton - J. Douglas - Parker, Acland &c &c. all very much hampered or actually stopped. Now don’t put all this down to "bad liver" and pure pessimism - I write you as I would speak in confidence - and it all means to my mind both here and in Australia, that the "old order changeth" as Tennyson says: The inflation of values which has been supported for some years mainly by hope, is all but reaching bursting point: there must be a clean up & fresh start - and in the process a lot of sorrow and trouble. An enormous rise in the value of produce such as took place in 1872/3 (something like 80 or 90%) might carry us over - I doubt if anything else will.¹

Ritchie’s correspondence conveys little hint of alarm at the land policies of the Liberals. He greeted the result of the 1890 philosophically and did not consider the threats of compulsory purchase and heavier taxes on land to be dangerous, remarking in 1893 on the Government’s disposition to be moderate.² He had long anticipated the taxation of property as the inevitable consequence of the Government’s heavy borrowing.³ Moreover, from before 1880 he had urged the desirability of cutting up some of the New Zealand & Australian Land Company’s estates, especially those around Timaru. By selling several thousand acres at £3-5 under valuation and opening the land up for settlement, the remainder would be significantly enhanced in value:

These vast areas of uninhabited lands are very bad for your own interests - very bad for the District. And it is only population which will give the whole colony a lift again, so it is population settling on them that you require for your lands... if your aim is

---

¹ Ritchie to W.S. Davidson, 20 August 1895, P. 63, Ritchie Papers.
² Ritchie to H.R. Grenfell, 8 December 1890, p. 3, Ritchie Papers. Ritchie to W.S. Davidson, 14 June 1893, p. 477.
³ For example, Ritchie to W.S. Davidson, 5 December 1883, p. 31; 29 February 1884, p. 108, Ritchie Papers.
ultimately to sell your N.Z. freeholds, you should be doing it now for your own sake & your loss now would be made up by improvements hereafter arising from people getting on to the land.1

In 1893 the Land Company - the greatest monopoly of all - began putting that policy into action.2 In a similar vein, Ritchie deplored the vesting of the BNZ's unproductive estates in the Assets Company. It would have been better, he argued, if these huge blocks had been sold at current prices. This would have been a "severe" process, but it was preferable to locking them up again "to the irritation of the Radicals & semi-socialistic politicians of the Colony, and to the doubtful good of anyone."3 He did not expect destructive legislation, "though at a General Election time, as at present, one hears a good deal of this."4

This series of letters, which is reproduced in greater length in Appendix 51, is consistent with the more orthodox explanations of the subdivision of the great estates. During the 1890s the banks and loan companies that had carried these estates during the depression, through their reluctance to face serious losses made on earlier advances, were under irresistible pressure to liquidate these debts. The example of the Land Company suggests that the process of subdivision may have been regarded as economically rational in any case and was long delayed by the sluggish market for land in the previous decade. Individual owners might also have deferred attempts to realise their investments for similar reasons. John Reid was clearly intending to dispose of Elderslie in 1878 when the New Zealand Mortgage & Investment Association was floated.5 After the collapse of the market for land, it appears that his next attempt was in 1894.6 In the background there was also the burden of land taxation and the threat of more direct government intervention, although, as a recent history of the Cheviot estate has shown, compulsory purchase was not always an undesirable outcome for the parties concerned.7

---

1 Ritchie to W.S. Davidson, 31 May 1880, p. 153, Ritchie Papers.
2 Ritchie to W.S. Davidson, 23 June 1893, p. 477, Ritchie Papers.
3 Ritchie to Grenfell, 12 November 1890, p. 491, Ritchie Papers.
4 Ritchie to Grenfell, 12 November 1890, p. 491, Ritchie Papers.
5 See Part One, Chapter Two.
6 New Zealand Graphic, 13 October 1894.
In denying or minimising the economic pressures acting upon the rural sector during the depression, the insulation theory obscures more than it reveals about the position of the Dunedin business community. It is difficult to accept that "[m]uch high country protest about impending ruin was, in fact, dishonest..." or that "psychological factors" were chiefly responsible for the voluntary breakup of the large freehold estates.\(^1\) The psychological explanation seems even less plausible in Otago, where capitalists had long been accustomed to weigh business risks against those political developments that they considered alarming and radical. Much of the ideology espoused by the Liberal Party was not new to them. Similar notions had been in circulation in Otago since the latter years of the provincial period.

By emphasising psychological factors and claiming that the gentry were intimidated into releasing their grasp on the rural economy, Eldred-Grigg removes the argument to a realm in which firm evidence is unlikely to be discovered. And this step is taken before the commercial forces at work in that economy have been adequately explored. It is clear that there was a high rate of attrition among both the large freeholders and leaseholders in central and southern Otago. The contention that freeholders in other districts were largely free from liquidity problems or lacked commercial incentives to subdivide is not borne out by the evidence of contemporaries such as Ritchie, who had a better opportunity to study the question and strong reasons for doing so. Furthermore, if "most landowners were prospering quite nicely during the depression", it is hard to explain the enormous weight of bad debts and unrealisable securities that were burdening the banks and loan companies by the end of the 1880s.\(^2\)

It is clear that the slump in the rural sector had a strong deflationary effect on the Dunedin economy and its consequences were often more direct, for many urban businessmen had invested in land speculations during the 1870s. On returning from Britain the year after the City of Glasgow crash, Ritchie was astonished at the extent of their involvement:

> There has been undoubtedly a great collapse since I left the colony 18 months ago, and property is quite unsaleable - or at any rate comparatively so. I find nearly everybody saddled with land - auctioneers - shopkeepers - bank managers - Lawyers - Doctors Judges Everybody, and as these or most of them have their capital

---

otherwise employed, & consequently have gone into land on credit, they are in a mess.¹

"Every day", he wrote, "brings something fresh to flabbergast one as to the enormous & universal indebtedness of everybody who has anything to do with land".² There was a general gloom among his colleagues, with men like B.C. Haggitt, J.T. Wright and John Davie admitting they were hard pressed, their investments in land locked up "on fixed deposit."³

There was perhaps no more striking example of the problems alluded to by Ritchie than the landbuying syndicate of John McGregor, Charles Ritchie Howden and William Fraser. These men had an almost mesmeric influence over their bank manager, W.C. Roberts of the BNZ, although in the long run it did them little good. The South Canterbury purchases of this trio have been well documented by Robert Pinney. McGregor began buying on the Elephant Hill run in 1873 and called his estate there Waihaorunga.

In 1877 Hakataramea became the object of his attention. With Fraser, Howden and Larnach, he bought up large blocks on the New Zealand & Australian Land Company's leasehold. An agreement was entered into, but not completed, to buy the Company's remaining leaseholds and 21,800 acres freehold at Hakataramea for an additional £110,000⁴, but the syndicate was lucky to escape this contract on a technicality.⁵ Roberts made an unauthorised loan of £50,000 to McGregor & Co also bought out of the Hakataramea Downs leasehold and later acquired what remained of the run from J.S. Dalzell at £11,500, paying a deposit of only £87⁶.

Driver tried to obtain £30,000 for the group from the Loan Company in January 1879, saying that the wool money would be worth £20,000 a year, but he was curtly informed that the proposition was quite inadmissible.⁷ The Loan

---

¹ Ritchie to Robert Davidson, 6 November 1879, p. 14, Ritchie Papers.
² Ritchie to W.S. Davidson, 12 February 1880, p. 68, Ritchie Papers.
³ Ritchie to W.S. Davidson, 12 February 1880, p. 69, Ritchie Papers.
⁴ The Southland Daily News (2 November 1878) reports that the price was £200,000.
⁵ Morning Herald, 20, 25 September 1879.
⁶ NZLMA Co Minutes, 30 January 1879.
⁷ R. Pinney, Early South Canterbury Runs, p. 126.
⁸ The Loan
Company seems to have reversed its decision and by the end of the year the account was causing trouble. The Scotch Trust took up £40,000 of the debt on Hakataramea, leaving the NZLMACo with only nominal security for a second mortgage of £10,000. In July, McGregor & Co failed to pay interest to the Trust, and the Loan company again assumed the total liability to protect its almost unsecured advance. Within a few years the debt of the Hakataramea group had risen to £102,150 and the Loan Company had little option but to face a loss and take over the property itself. This was hardly a satisfactory solution. The land was difficult to sell and it was the end of the century before the Loan Company could begin to liquidate the property. The BNZ did not escape unscathed either. It had separate claims on the Waihaorunga and Hakataramea properties amounting to £22,287.

Fraser, his brother and C.R. Howden bought Hawea station in 1875. The Loan Company was again the backer, putting up £11,000 under an arrangement made with Latham Beal. Part of the run was apparently sold to Perriam & McGregor in 1877, but little progress was ever made towards extinguishing the debt. Fraser was the sole proprietor by 1885 and still owed the company £11,758. An investigation revealed that 5,356 sheep, probably a third of the flock, were unaccounted for. Previous returns had been unreliable and the flock, an aged one, had not been culled for years. This information prompted the Loan Company to foreclose. Because of keas, rabbits, declining wool prices and the decrepit state of the flock (which shrank by a further 3,000 the next season), the station had not been able to pay working expenses for some time. The NZLMACo directors were therefore advised to expect a heavy deficiency on this account.

Fraser’s troubles did not cease there. He had separate obligations to the BNZ, probably on account of Earnscleugh station. Strode and Thomas Fraser had relinquished their shares in the partnership in 1881. William Fraser, it seems, was unequal to the task of carrying on the run in the face of a rabbit plague and low wool prices.

---

1 Dalgleish to Roberts, 11 March 1881, 625/15, Roberts Papers. NZLMACo Minutes, 3 July 1879.
2 NZLMACo Minutes, 15 October 1884.
3 See Special Report on Unproductive Capital, NZLMACo, 1888.
4 Mercantile Gazette, 12 April 1879, 13 October 1883.
5 NZLMACo Minutes, 4 February 1885.
6 NZLMACo Minutes, 17 November 1886.
The activities of McGregor, Fraser, Howden and Roberts attracted much attention in Dunedin. Between them, these men owned three of the most lavish houses in the city. McGregor's magnificent home was thought to have cost him £10-14,000. With his encouragement, Roberts bought Bishop's Court and an adjoining twenty-eight acres for £9,500, possibly expecting that the extension of the Roslyn tramway would push up its value. McGregor also tempted him into the purchase of 4-6,000 acres of land on the Mataura during the height of the speculation in Southland.

It was Howden who best survived the crisis that occurred after 1878. He entered his largest speculations with a surplus capital of about £30,000 and managed to extricate himself from the Hawea and Hakataramea ventures and from a bad investment on Braemar station before the position became too desperate. At the time of his death in 1928, however, he had assets of less than £3,000. McGregor ran into difficulties early on. With a note of triumph, Ritchie announced in 1883:

*The Great McGregor has burst. The mortgagee sold his grand house last week to A.W. Morris [for] £7,500 (cost £14,000 they say) & Morris as first mortgagee sold Waihaorunga last week. All that crowd is now dissipated.*

McGregor admitted in 1887 that he was "very much involved" and could not satisfy an outstanding debt to the Loan Company. Fraser was insolvent by the mid-1880s. The Loan Company dismissed him as being without means and incapable of meeting any of its claims upon him.

Roberts was the most pathetic casualty of this curious episode. The ineptness of his management was probably a sufficient justification for his dismissal in 1880,

---

2 Ritchie to W.S. Davidson, 5 December 1883, p. 35, Ritchie Papers. See also Ritchie to Russell, 10 January 1878, p. 14, Ritchie Papers.
3 Probate File 11182, Dunedin High Court.
4 Ritchie to W.S. Davidson, 5 December 1883, p. 35, Ritchie Papers.
5 NZLMACo Minutes, 27 April 1887.
6 NZLMACo Minutes, 17 November 1886.
quite apart from the unauthorised loan to himself of at least £5,000. He felt the
shame of his position very keenly.\footnote{Deeds 73/506.}

Roberts described the problems of serving the Bank while the community was intoxicated with easy credit and the spirit of gambling.\footnote{Insolvency File, 14 February 1884, Dunedin High Court.}

It had largely arisen through "what was a gravely mistaken view of keeping up the standing of the Bank's representative there [in Dunedin] and in connection with its business."\footnote{See Appendix 3, Volume Two.} He was soon expelled from his splendid residence at Bishop's Court and tried to make a living as a finance broker and commission agent. In 1884, he left the colony for San Francisco to escape the pressure of his creditors and was declared bankrupt in his absence.\footnote{In 1884, he left the colony for San Francisco to escape the pressure of his creditors and was declared bankrupt in his absence.}

Although these men were among the most prominent of the city's speculators, theirs was not an isolated case. The progress of this syndicate illustrates the tone of the business environment in Dunedin during the late 1870s and the legacy of bad management from which the BNZ in particular was to suffer. Another of the Bank's larger clients, George William Elliott, saw his fortune destroyed in the property crash, and more than one member of the "inner circle" would create problems for the BNZ through similar causes.\footnote{Insolvency File, 14 February 1884, Dunedin High Court.}
CHAPTER TWO - BANKING AND FINANCE

The performance of Otago's economy, especially its agricultural sector, was reflected in the progress of the major financial institutions operating in the Province. Following the collapse of the City of Glasgow Bank in 1878, the world of colonial finance was plunged into turmoil. For much of its later history, the government of the City of Glasgow Bank was largely chiefly in the hands of three directors: James Morton, James Nichol Fleming and Lewis Potter. All three had had considerable interests in New Zealand.¹ Morton and Fleming obtained enormous sums from the Bank. At the time of the stoppage, Morton & Co owed £2,173,000, Fleming owed £1,200,000 and the debt of his brother John's firm stood at £1,900,000.²

Their borrowing had been conducted with extraordinary carelessness. When taxed with having obtained £5m by IOUs written on envelopes or pieces of paper casually picked off the counter, Morton replied to his interrogator at the trial "Well, I thought it might have been more than that."³ The week before the City of Glasgow closed he had taken away £60,000 in cash.⁴ A report reached New Zealand that the directors advanced £80,000 to a bosom friend on the security of four elephants.⁵

To conceal losses on these and other accounts, the directors had long falsified the Bank's returns. The cashier, a brother of Walter Turnbull of Wellington, was also party to these deceptions and made the gold reserve appear twice its actual size.⁶ Eventually, the real position could be concealed no longer and the City of Glasgow Bank was obliged to close its doors.

Morton was outwardly a pious man. He taught Sunday school and, as W.S. Davidson recalled, conducted prayers at breakfast and talked finance late into the

---

¹ These included the New Zealand & Australian Land Company, the New Zealand Meat Preserving Company, Potter Wilson & Co, the Albion Shipping Company and the short-lived Otago Steam Ship Company.

² Report of Trial of City of Glasgow Bank Directors, M1080, p. 443, NZ & Australian Land Company Archives, Hocken Library. A.W. Kerr, History of Banking in Scotland, p. 294. Morton’s bankruptcy is reported in the ODT, 19 January 1879. His unsecured debt to the City of Glasgow Bank was £964,437 and his total liabilities amounted to £3,461,034.

³ W.S. Davidson, W.S. Davidson, p. 110.

⁴ ODT, 8 May 1888.

⁵ Bruce Herald, 16 June 1879.

night. Ritchie had never felt comfortable with him and once stated that he would "as soon take a good dose of nasty medicine" as spend a day with Morton. As a boy, Morton had taken his first step in business by selling milk from door to door in Glasgow. After his disgrace, he sank into obscurity and was again seen driving a milk cart through the city streets.

Lewis Potter was another staunch supporter of the Free Church. He was by then an elderly man and, although no longer active in business, he drew an income of about £18,000 a year. Fleming, on the other hand, had hardly passed middle life. He had made his first fortune in Bombay at the time of the American Civil War by investing every penny he could lay hands on in Indian cotton. Returning with £300,000, he formed a partnership, which speculated in ships, iron, telegraphs and cotton and became involved in the Glasgow Jute Company, a large venture that paid almost nothing in the pound when it collapsed. Fleming then set about acquiring real estate and making himself "a country magnate". Between 1870 and 1875 he lost nearly all his capital. This nattily-dressed man did not "hide his mania for gambling behind a display of Christian observance." He initially fled the country, but returned voluntarily to stand trial. Although Fleming's interests lay mainly in the East and Morton's and Potter's elsewhere in the colonies, it was alleged that the three "had more or less business concerns together, and were in fact to a certain extent, in the same interest."

The failure of the City of Glasgow Bank was a national disaster and sent a wave of horror around the financial world. Russell and Ritchie were fortunate that they were not in the least "mixed up with Morton, Potter, or any of the 'ring'". Ritchie told Roberts:

... nearly everyone of our old previous connection has gone smash in the most discreditable way... I must say I feel thoroughly ashamed of the whole thing & of being so much acquainted with many who have so disgraced themselves...
The ties between Potter Wilson & Co and Russell Ritchie & Co had been severed some years earlier, a move not altogether prompted by presentiments of the impending calamity: "... many things for years past came before us, which we did not like, though we had not the smallest conception of the frightful rottenness which existed."\(^1\) Kinross & Co of Napier was not so lucky. This firm was bankrupt in 1888 and the partners directly attributed their downward spiral to the failure of the City of Glasgow Bank ten years earlier.\(^2\)

The consequences of the collapse were tragic for shareholders. The City of Glasgow Bank was not a limited liability corporation and shareholders had therefore to meet the claims of creditors, amounting to nearly £6m, in their entirety. A great many small investors were ruined by calls they could not afford to meet. As they became insolvent, the burden fell more heavily on those who remained.\(^3\) The first call levied was £500 for every £100 of stock held, the second was £2,250, which still left 5s in each pound of the Bank’s debts unpaid.\(^4\) Of the 1,270 shareholders and a large number of trustees, only 109 shareholders (holding stock amounting to £88,722) and 124 trustees remained on the register in 1881, nine tenths of the original proprietors having succumbed to insolvency.\(^5\) When the liquidation was completed in 1888, shareholders had surrendered a total of £5,945,115. This figure hardly represents the actual losses suffered, for a lot of property had to be sacrificed at depreciated prices to meet the calls.\(^6\)

Only a few individuals in Otago appear to have been directly affected by the imposition of calls. One of the main sufferers may have been William Shirres of Grays Hills station, who reputedly paid out £60,000.\(^7\) The whole community, however, was touched by the deflation of the local economy and the slackening in speculation that followed the disaster. Land prices were affected immediately. The connection of Morton, Fleming and Potter with the New Zealand & Australian Land Co was already well known. It was also revealed that in 1877 Potter had

---

\(^1\) Ritchie to John Roberts, 18 December 1878, 625/8, Roberts Papers.
\(^2\) AIBR, February 1889.
\(^3\) The Morning Herald, 13 October 1879, gave as an example the case of Robert Caldwell, a shipowner of Inverness. Caldwell possessed assets worth £60,000 and had thirty shares in the City of Glasgow Bank, which had cost him £7,000. He paid £15,000 on the first call, but could not meet the £67,000 he was required to supply on the second call.
\(^4\) ODT, 25 February 1880.
\(^5\) AIBR, 10 March 1881, p. 82.
\(^6\) ODT, 31 December 1888.
\(^7\) C. Shirres, Sailing Ships and Sheep Stations, Christchurch, 1964, p. 33. The family of Captain Gardner of Birchwood station in Southland were also reported to be heavy losers. "Southland Clippings", Hocken Library, p. 109.
been authorised to invest £150,000 in the Land Company and other New Zealand securities for the so-called Edinburgh Pastoral Association. The shares were, in fact, held in trust for the Bank itself, the steep rise in New Zealand property values having led the directors to hope for a quick profit from such investments. Although the Bank was not interested in the Land Company beyond holding its shares, there were suggestions that in the process of liquidation, the Company would be required to rush its estates onto the market, thereby creating a glut and depressing land prices paid.1 No hurried sales took place, but talk of this kind stifled the adventurous buying upon which speculators had based their calculations.

Much more damaging than this uncertainty was the effect of the failure on the British money market. During the preceding years, when the price of money had been low, a great deal of capital had flowed to the Australasian colonies in the shape of bank deposits, share issues, debentures and government loans. The easy availability of money from this source had helped drive up the value of New Zealand property, especially in the South Island. After 1878, the supply of money was severely depleted. Home interest rates rose and made colonial investments less attractive and New Zealand securities suffered from the stigma of their association with the City of Glasgow Bank and its directors.

New Zealand finance houses were badly affected by this crisis - the NZLMACo perhaps worst of all. These companies obtained most of their funds on the Scottish debenture market. The Loan Company, with almost £2.5m from this source, was left in a position of some delicacy and its connection with the BNZ was subjected to a severe test. Early in 1879, Murdoch received notice from Larkworthy that drafts on the Loan Company negotiated by the BNZ were not discountable in London and there would be difficulty in making alternative arrangements.2 Murdoch was disturbed by the "lamentably weak" condition of the Loan Company: "Judging by my feelings during the past month I fancy I never knew before what real anxiety is, or perhaps I would be nearer the truth in thinking that I cannot bear it so well as I used to."3 He advised the immediate severance of the close financial ties between the BNZ and the Loan Company: "It has no doubt been a grave mistake that the two have been so closely identified and

---
1 ODT. 2 December 1878. Sanderson to Roberts, 10 October 1878, 625/8, Roberts Papers. Roberts to Larkworthy, 21 November 1878, Larkworthy Papers.
2 Murdoch to Larkworthy, 6 January, 2 February 1879, Larkworthy Papers.
3 Murdoch to Larkworthy, 6 January 1879, Larkworthy Papers.
especially in finance."1 The New Zealand directors agreed and also urged London to separate the management and premises.2 Entries in the minutes of the New Zealand board make it clear that the money supply was very tight during 1879. Applications for assistance, even of a very desirable character, were declined because of "the complete absorption of the Company's funds."3 In July the borrowing powers of the Loan Company were exhausted and in the last quarter of the year it was still necessary to achieve a reduction of £100,000 in advances.4

The heady progress of the BNZ received a pronounced check in the aftermath of the crash. Its credit in Australia was again poor and there were reports of its bills being declined by London discount houses.5 The shrinkage of revenue from land sales forced the Government to fall back on the Bank, which, as earlier noted, led to the retraction of advances to private customers. In February, John Murray paid a visit to the South Island: "It is one of the objects of my mission... to give the 'screw' an extra turn: but blood cannot be got out of stones."6 Later that month he reported:

We are doing our level best to get money in, and have been using more urgency than is quite safe or desirable - it looks as if we ought to get in half a million in the next few months, but where is it to come from? Other banks are as urgent as ourselves.7

The first public revelation of serious trouble in the banking community occurred in 1885, with the announcement that the National Bank had accumulated £131,000 of doubtful debts.8 The sum of £100,000 was written off the capital to cover expected deficiencies. The crisis in New Zealand finance, which the National directors had long expected, seemed finally to have arrived, and they discouraged any hopes of an early recovery. While the tenor of the report was criticised as calculated to produce alarm, it was said in London that such candour could not have been

---

1 Murdoch to Larkworthy, 2 February 1879, Larkworthy Papers.  
3 NZLMACo Minutes, 19 June 1879, p. 317 (application of L. & E. Coster). Also 27 March 1879 (the Hon. G. R. Johnson) and p. 286 (Joseph Rogers, Capt. William Stevens and Christopher Basstian).  
4 NZLMACo Minutes, 3 July 1879, 21 August 1879.  
5 Murdoch to Larkworthy, 1 March 1879, 25 February 1879, Larkworthy Papers.  
6 Murray to Larkworthy, 1 February 1879, Larkworthy Papers.  
7 Murray to Larkworthy, 12 February 1879, Larkworthy Papers. Ritchie told Roberts: "I heard in London from W.A. Low that the Bank of New Zealand fellows were in a terrible show at the time of the bank failure at which I was not surprised." Ritchie to Roberts, 18 December 1878, 625/8, Roberts Papers.  
8 The suspension of the Oriental Bank in 1894, not an unexpected event, caused little alarm in New Zealand.
expected from a colonial directorate. Even in New Zealand, the board's action was "more generally approved than anything they have done for some years", although the news did nothing to allay apprehensions about the country's future. The unsoundness of a large slice of the National's accounts had been suspected since 1880, when amalgamation with the Colonial was last mooted. By facing its losses at an early date the National Bank was better placed to survive the catastrophes of later years, and it was able to add to its reserve again in 1890.

The BNZ held such a large share of the country's banking business that its performance was seen as a significant reflection of the state of the national economy. It was therefore a matter of concern when the Bank failed to pay a dividend in 1887. A committee of shareholders examined the accounts in 1888 and brought down a sobering report. Losses on depreciated or valueless securities were estimated at £800,000. The reserve fund of £500,000 was necessarily written off as well as £300,000 from the capital. Doubtful assets of £4.25m were, with parliamentary sanction, carried into a special *in globo* account where their liquidation could be effected without upsetting the ordinary profit and loss account. In 1890 a further £340,000 had to be written off the value of these *globo* assets. A fresh issue of £1m capital, underwritten by Glyn Mills & Co, was subscribed in London, whither the head office was removed in 1889. These troubles were not unexpected and the weakness of the BNZ had been commented on for a number of years.

This disaster broke the power of Auckland's "limited circle". Four hundred thousand pounds of the BNZ's losses had been made in Auckland, a large proportion of this on ventures in which members of the "ring" were involved. Over £160,000 was lost on advances to the old directors, a feature that invited comparisons with the City of Glasgow Bank. The BNZ's many enemies, however, could ill-afford to gloat. The ramifications of the BNZ's business were so wide that any question about its stability was certain to injure the credit of the colony as a whole.

1 *ODT*, 27 August 1885.
3 Ritchie to Russell, 31 December 1880, p. 82, Ritchie Papers.
4 AIBR, 16 August 1890, p. 559. The entire reserve fund had been wiped off but in this year the directors were able to put £10,000 to reserve.
5 N.M. Chappell, *New Zealand Banker's Hundred*, pp. 121-123, 137, and Ch. 8.
6 For example, see Appendix 53, Volume Two.
7 For example, see Appendix 53, Volume Two.
In contrast to the other two New Zealand Banks, the Colonial saw out the decade without any drastic interruption. Seven percent dividends were carried annually and George McLean announced the Colonial Bank's most profitable half year in 1888. Its directors could look upon the rest of the banking world with a little smugness. Overtures were received for a takeover of the BNZ by the Colonial, but these were declined. Ritchie, who was intimately acquainted with the Colonial's affairs, saw no reason to doubt its soundness and mentioned in 1891 that the directors had been privately putting aside profits against certain accounts. Larnach shared the optimism of the directors and began accumulating shares in the Bank on returning from Melbourne in 1888. The surviving reports from the Bank of New South Wales in Dunedin do not reveal serious concern about bad accounts in the south. The position of the Union Bank is harder to ascertain, but its non-involvement with the major bankruptcies in this period suggests that it, too, had few major problems in Otago. In 1888 Ritchie advised that the Union had that year written off £20,000 from "accounts which they have had for many years, & with men who, until recently were well off: and this has happened to a Bank which is the most conservative of any".

The big loan companies operating in the Province fared badly in the 1880s. Aside from the immediate problem of defaulting mortgagors, they faced difficulties in maintaining access to the cheap funds on which their existence depended. Their declining dividends and the banking crises raised questions about the soundness of New Zealand investments and made the acquisition of debenture money a much harder task in the late 1880s. Those companies that withstood this test had to grapple with a more persistent problem. In subsequent years, the absolute margin between interest rates on British debentures and mortgages in New Zealand declined to the point where it was no longer possible to earn profits that justified the risk to shareholders on the large uncalled liability of their stock. This caused several of the remaining loan companies to retire from New Zealand and go into liquidation.

The British & New Zealand Mortgage & Agency Company was the first major casualty among the foreign investment companies. This concern had

---

1 ODT, 27 September 1888.
3 Ritchie to Brodie, 19 August 1891, p. 185, Ritchie Papers.
5 M. Arnold, "The Market for Finance in Late Nineteenth Century New Zealand", p. 70.
inherited from Cargills advances that were large in relation to the volume of its business. During the early years of the decade it pushed hard to develop a clientele among smaller farmers and to increase its revenue from auction sales and commission work. In 1884, its annual profit exceeded that of NMACo, but a year later the burden of slow debts began to tell. The British & New Zealand passed its dividend in 1886 and Joachim feared that the auditors would insist upon such a writing off of assets as to force it to wind up. Ritchie examined the accounts with a view to absorbing some of its business but the task proved to be "a horror". The list of assets was "dreadful" and £311,000 was locked up in over-valued and unrealisable securities on seven doubtful accounts. He asked of Davidson: "If they burst and it is found that hardly a penny of their assets are realisable - where will we all be...?"

When the directors were forced to levy a call of £2 per share in order to meet debentures maturing in 1887, the British and New Zealand Company almost folded. Its stock became unsaleable and those clients with viable businesses went elsewhere. "[A] terrible collapse", wrote Ritchie, "of the oldest firm in the place". Murray Roberts & Co won the supervision of the British & New Zealand’s liquidation, to Ritchie’s disappointment, and made several thousand pounds a year out of this windfall.

The fate of the Colonial Investment & Agency Company (the loan company nominally attached to the Colonial Bank) was just as inglorious. Besides having

1 Ritchie to Russell, 12 February 1877, p. 197, Ritchie Papers. In 1885 the Company had a subscribed capital of £403,320 and a paid up capital of £80,000. It borrowed on debenture an aggregate of £280,000 and had £300,000 invested in New Zealand. Dunedin Manager to Inspector, 3 September 1885, Bank of Australasia, Westpac Archives.
2 Ritchie to Grenfell, 25 March 1885, p. 287, Ritchie Papers.
3 Ritchie to W.S. Davidson, 7 January 1886, p. 402, Ritchie Papers.
4 Ritchie to W.S. Davidson, 9 February 1887, p. 132, Ritchie Papers.
5 Ritchie told Grenfell, "... the securities are of exactly a same class as our own unrealisable, and of very uncertain value". Ritchie to Grenfell, 8 February 1887, p. 127, Ritchie Papers. The accounts specifically named by Ritchie were: Cargill & Anderson (£38,538 subject to a first mortgage to the Otago & Southland Investment Company of £75,000), Wanaka station (£68,793 - 47,000 sheep), McIntosh of Gladfield (£102,910 - 13,000 acres freehold, 9,000 sheep), A.D. Lubecki of Moutere (£17,619), M.C. Orbell (£43,727 - 6,000 acres freehold, 28,000 sheep), H. Orbell (£29,876 - 3,668 freehold, first mortgage of £13,000, 45,000 sheep) and Sawdon station (£9,645 - partly guaranteed by J. Russell). Ritchie to W.S. Davidson, 9 February 1887, p. 132, Ritchie Papers.
6 Ritchie to W.S. Davidson, 9 February 1887, p. 133, Ritchie Papers.
7 Ritchie to Galloway, 9 July 1888, p. 371, Ritchie Papers.
8 Ritchie wanted to buy Teviot station after it passed from Cargill & Anderson, but felt that John Roberts would allow it to be sold only to one of his clients. He therefore asked George Pogson to make a dummy offer on his behalf and instructed him to burn the letter in which he made the request. Ritchie to F.G. Pogson, 15 August 1890, p. 437, Ritchie Papers.
"its own share... of dickey mortgages", the Colonial Investment made losses of perhaps £50,000, chiefly through the loose and irregular management of its Oamaru, Timaru and Invercargill branches.1 The position was worst at Oamaru, where it launched into risky bill discounting by backing William Christie, a broker with only £1,000 capital. Christie later went bankrupt and was gaoled. He was, according to one newspaper correspondent, the conduit through which the district was unwarrantably flooded with Scottish money, much to the detriment of the unfortunate shareholders.2 The discovery of misappropriations at Timaru caused one of the agents there to commit suicide.3

By 1889 the Colonial Investment was in a serious state and had to be reconstituted by the Court of Session.4 The nominal capital was reduced by £100,000, the subscribed capital by £160,000 and the directors ordered any recoverable advances to be called in.5 By 1891 the Company's New Zealand securities had been reduced by about half to £252,325. Thomas Thompson Ritchie was sacked from the colonial management.6 Some of the Edinburgh directors feared the local board was unnecessarily prolonging the process of liquidation and sent Robert Dobson to assess the outstanding accounts. Dobson was the representative in Napier of another Scottish loan company, the Northern Investment Company. He reported that, in addition to the £60,000 already cancelled, the depreciation in value of the remaining assets should be estimated at £55,000.7 An "enormous" sale of the Colonial Investment Company's properties in 1893 was a failure, though a number of sales were effected privately.8 In 1892, the Company disbanded its local board and was formally wound up seven years later.9

The Otago & Southland Investment Company maintained its soundness through the 1880s. At the end of the decade, however, its profitability diminished markedly. In 1889, the directors took £13,000 from reserve, partly to pay a

1 Ritchie to W.S. Davidson, 19 July 1888, p. 387, Ritchie Papers.
2 ODT, 13 May 1889, 23 September 1889.
3 R. Dobson, "To the Shareholders of the Colonial Investment & Agency Company".
4 Nearly £50,000 had been lost on advances by 1888. BT2 836, Scottish Record Office, Edinburgh.
5 AllR 16 March 1891, p. 155.
6 T.T. Ritchie and Alexander Bartleman, both former managers of the National Bank, were in business together as accountants and agents.
7 R. Dobson, "To the shareholders of the Colonial Investment & Agency Company". While in Dunedin, Dobson became embroiled in a heated, though not unamusing conflict with the local directors, especially A.C. Begg. His side of the story was put in an open letter to the shareholders of the company.
8 Ritchie to W.S. Davidson, 17 March 1893, p. 405, Ritchie Papers.
9 BT2 836, Scottish Record Office, Edinburgh.
dividend. This action was condemned by A.W. Morris, the Otago & Southland's manager in Dunedin, who felt that his board did not appreciate the uncertainty that surrounded the value of their assets. Morris believed that the various lending companies ought to consider liquidation in view of the shrinkage of profits. In 1891, it could only return £7,000 on its capital and borrowed funds of £1m, a figure that hardly justified the continuation of the Company. The decision to cease operations seems to have been made after 1897 when a loss of £9,000 was recorded. A call of 2s per share was needed to wind up the Company.

By 1886 the Scottish & New Zealand Company was borrowing on a paid up capital of £116,100. This sum was reduced between 1898 and 1905 to £22,500. In 1903 shareholders were informed that, owing to the prolonged depression in New Zealand and the fall in the margin of profit, it had become impossible for the Scottish & New Zealand to continue its operations with any measure of success.

The failure of the British & New Zealand Company and the weakness of the Colonial Investment Company caused worries for the other companies seeking debenture money overseas. The NMA Company experienced difficulty in renewing its borrowed funds in 1885 and its shares were later dragged down by the calls imposed upon proprietors of the British & New Zealand Company. "With £9 uncalled", wrote Ritchie, "our shareholders must be nervous." But his vigilance succeeded in keeping the NMA Company's bad debts down to a sum that could be met out of annual profits and it was not necessary to extract a call until 1894, when 10s per share was also written off to cover losses. As Ritchie's correspondence makes plain, the comparative success of the NMA Company was due to its large commission and agency business and its lack of reliance on lending borrowed funds.

The demise of large-scale pastoralism began to cause other changes in the stock and station business. From the end of the 1870s, the annual increase in the production of wool was made up entirely of small clips from freeholders and

1 Ritchie to Morrison, 25 September 1889, p. 201, Ritchie Papers.
2 Ritchie to Walter Brodie, 10 May 1890, p. 359; Ritchie to Davidson, 4 June 1891, p. 143, Ritchie Papers.
3 Ritchie to W.H. Levin, 3 June 1891, p. 140, Ritchie Papers. (Morris's annual salary was £2,500.)
4 Ritchie to W.S. Davidson, 24 July 1897, p. 7, Ritchie Papers.
5 Probate File 4149, old series, (J.P. Maitland), Dunedin High Court.
6 CS 240/5/18/4 and CS 240/5/24/20, Scottish Record Office, Edinburgh.
7 Ritchie to Grenfell, 28 August 1885, p. 357, Ritchie Papers.
8 Ritchie to Grenfell, 3 May 1887, p. 195, Ritchie Papers.
9 G. Parry, NMA The Story of the First Hundred Years, pp. 82-87.
10 See Ritchie to Walter Brodie, 19 July 1897, Ritchie Papers.
"cockatoos". Most of this wool was sold locally and, although the bulk of it ultimately reached London as before, it tended to pass through the hands of buyers who purchased either for orders or speculations. The NZLMACo and British & New Zealand Company took active measures to attract business from these smaller woolgrowers. The NMA Company did so to a more limited extent, but remained confident of developing a strong business through continuing to cultivate the large producers, for whom special arrangements could be made if they desired to sell locally. Much of this growth in production seems to have been handled by the smaller agents, such as Wright Stephenson & Co and Donald Reid & Co. These firms accounted for an expanding, but still small share of the market in the 1880s. After three years of trading, the total advances of Donald Reid & Co was £12,112, an amount less than one fifth of a loan made privately by Charles Nichols to Borton and McMaster. The largest company to target this end of the market, the Colonial Co Operative & Agency Company (later re-named the Mutual Agency Company) began in 1884 with a nominal capital of £100,000. Within a few years, that company was in serious difficulties.

Because investment companies were now unable to earn more than 2 or 3% over the cost of their debentures, it was imperative that the expense of handling the money be kept to a bare minimum. Separate offices and staff in New Zealand seemed extravagant and Ritchie strove hard, but unsuccessfully, to obtain the management of three ailing concerns: the Colonial Investment Company, the Scottish & New Zealand Investment Company and Bathgate's New Zealand Mortgage & Investment Association. Both he and Morris agreed it would be sensible to fuse the Edinburgh companies into one stronger concern with more secure finances: "This half yearly uncertainty about renewing of Debentures is very wasteful."

The collapsing confidence in all Australasian loan companies militated against such an amalgamation. James Lawrie, a director of the Colonial Investment Company, wrote in 1892 of "the morbidly dreaded liability of uncalled capital" and noted: "when our shares command the price of 15s to 16s for the 20s paid we are considered a marvel of success compared with the very serious

---

1 Ritchie to the Secretary, NMACo, 11 August 1881, p. 440, Ritchie Papers, (on which this paragraph is mainly based).
2 J. Angus, Donald Reid Otago Farmers, p. 22. Probate File 632, Dunedin High Court.
3 ODT, 2 September 1884.
4 Ritchie to W. Brodie, 11 February 1890, p. 285, Ritchie Papers.
Part Five, Chapter Two

discounts that our other New Zealand Companies stand at."\(^1\) Two years later, NMACo shares were changing hands at only a tenth of their paid up value.\(^2\)

Great unease, if not panic, was occasioned by the temporary suspension of the NZLMACo in 1893. The Loan Company had grown to immense proportions in the 1880s. It was easily the largest consignor of wool from New Zealand and fluctuated from being the largest to the third largest for Australia, where country the greater portion of its business was conducted.\(^3\) Although it continued to pay its dividend and bonus throughout the decade, there were persistent rumours about the real condition of the NZLMACo. In 1881, Ritchie expressed his conviction that "the proud? position of being the largest importers attained by the N.Z.L&M.Coy has been reached at the expense of such a mass of bad business as to make the solvency of the Coy at the moment very questionable."\(^4\) Stout, while Premier in 1884, believed it should write off £1m and realise the vast number of properties it held on that basis.\(^5\)

In 1888-89, Larkworthy made an inspection of the Loan Company’s affairs in the colonies and advised that large deficits should be provided for. He put the Australian losses at around £350,000.\(^6\) A subsequent inquiry concluded that the whole of the Company’s reserve fund should have been cancelled by 1890, but with large debenture repayments to be made in 1890 and 1891, the directors concealed the weakness of the Loan Company until, of course, it was too late.\(^7\) Otago and Southland made a fair contribution to the dead accounts on the Loan Company’s books. In 1887, the inspector noted that: "There is... more to be done in Otago than in any other District to free our books of unproductive capital."\(^8\) A report commissioned by the New Zealand board before its dissolution in 1889

---

1 Lawrie to Dobson, 25 February 1892, in R. Dobson, "To the Shareholders of the Colonial Investment & Agency Company".
2 G. Parry, NMA The Story of the First Hundred Years, p. 63.
3 A.B. Baxter, Banking in Australasia from a London Official’s Point of View, p. 60. In 1888, 60% of the capital of the Company was employed in Australia. Otago Witness, 10 August 1888.
4 Ritchie to Grenfell, 8 March 1881, p. 356, Ritchie Papers. See also Ritchie to Galbraith, 4 November 1879, Ritchie Papers.
5 Ritchie to Grenfell, 19 December 1884, p. 241, Ritchie Papers. The Company sought £1m additional capital in 1885. At that time it exported 90,000 bales of wool and sold 70,000 bales at local sales. ODT, 29 May 1883.
7 "Verbatim Report of Mr Justice Vaughan Williams’ Statement on the NZLMACo", p. xvii.
8 NZLMACo Minutes, 30 March 1887.
revealed that well over £200,000 was locked up in the south in unproductive loans.\(^1\)

The decline of the foreign investment companies, especially those whose operations were focused on the South Island, runs counter to the "insulation" theory. That theory argues that "a clique of private families" dominated the rural economy in 1890 and had done so since the 1860s.\(^2\) Moreover, these families were thriving during the 1880s. Their estates were sometimes earning very large profits. If this explanation is sound, it must be wondered why the loan companies found it so hard to earn profits or liquidate successfully the properties that had fallen into their hands. If ownership of a large estate was such a blessing in the 1880s, one would not expect these problems to have arisen. Nor would one expect to find so many members of the "gentry" among the bad debts of such corporations as the NZLMACo, the British & New Zealand Company or the Colonial Investment Company - the latter being a concern that advanced only on freehold securities. The performance of such companies gives us a broader view of the state of the rural economy, and the picture that is revealed is more in keeping with the orthodox "Reevesian" account than the revisionist "insulation" theory.

The flood of British capital into Otago had propped up a great deal of speculative business activity in the 1870s. It may have delayed the full impact of the recession, but ultimately it aggravated the stagnation by locking up so much capital in unproductive investments. Directing this flow of money had been an important function of the urban business company. Through its control of credit, a small group of Dunedin capitalists had been granted a pivotal role in the development of the rural economy. In view of Otago's large contribution to the export revenue of the country, this was a role of national significance. With the drying up of funds from overseas and the failure of the Colonial Bank, this function was no longer such a salient feature of the Dunedin business community.

---

\(^1\) The inspector noted, "with our heavy burden of unproductive capital, the net local earnings of New Zealand are not sufficient to cover the cost of the capital in use. But it must be remembered that we are sending consignments to London of nearly £1.5m annually on which the profit, beyond the cost of our service in London, is very considerable." NZLMACo, "Report on Unproductive Capital", 1889, Alexander Turnbull Library.

\(^2\) S. Eldred-Grigg, A Southern Gentry, p. 117.
CHAPTER THREE - THE CORPORATE SECTOR

The "insulation" theory, as it applies to urban business, rests upon the assertion that the 1880s and 1890s were profitable decades.1 There is a suggestion of a shift in investment in the early 1880s from the rural sector to manufacturing, shipping and coal.2 Examples given of the city's "most profitable companies" include the USSCo and the WCC, two ventures that were later united in a powerful monopoly of the coal and domestic shipping industries.3 The WCC was "started by Dunedin's merchants and manufacturers in 1881 when they recognised the central importance of coal as a source of industrial energy."4 The WCC was actually formed to take over an earlier venture, the Westport Colliery Company, which had begun in 1878, and Dunedin capital had been flowing into other coal companies for some time.5

The proposal in 1884 to form a second coal company on the Kaitangata field prompted enquiries into the profitability of investment in coal. Much of this publicity was clearly aimed at preventing this rival, the Kaitangata Lake Coal Company, from floating. This object was accomplished, which was not surprising given the statistics placed before prospective investors. The first Kaitangata Coal Company had performed fairly well, paying average dividends of 4.5% on its first four years. If exposed to competition, it was predicted that it would not yield any profit. The Shag Point Coal Company had existed for ten years and had a monopoly of the coal market between Timaru and Dunedin. It had never paid a dividend; nor, up to that time, had the Westport Coal Company, which had operated for five years and employed paid up and borrowed capital of £200,000.6 The Fernhill, Nightcaps and Koronui mines had proved equally barren for shareholders.7 By 1876, the Greymouth Coal Company had extracted £22,000 from Dunedin investors and there seemed

---
1 E. Olssen, A History of Otago, p. 126.
6 Ross & Glendining and MacKerras & Hazlett were joint owners of the Shag Point mine by 1890. The capital locked up in the mine was a source of conflict between the latter firm and its bankers. MacKerras to W.B. Buller, 30 January 1891, Outwards Correspondence, p. 208, MacKerras & Hazlett Papers, Hocken Library.
7 The information on these companies is taken from a letter appearing in the ODT, 24 July 1884. For further commentary, see correspondence printed on 29 and 30 July, and 1 and 2 August 1884.
every prospect that this money would be lost. The Green Island Coal Company was wound up in 1881 and the Walton Park Coal and Pottery went into liquidation in 1898.

The Westport Coal Company ultimately became a large and successful operation and flourished through its close relationship with the Union Steam Ship Company. This position was arrived at only after much uncertainty and expenditure. In 1885 the directors found it necessary to levy a call contrary to the resolution of a previous meeting of shareholders. There was more discontent among shareholders the following year. H.S. Fish complained that the WCC was worth nothing and that its assets had been depreciated to facilitate a takeover by the Union Steam Ship Company. The WCC's shares were almost unsaleable and traded at half their paid up value. In 1887 the directors were obliged to write 10% off the paid up capital and reduce the nominal capital by £40,000.

The WCC did not pay its first dividend - a mere 2.5% - until 1888. That year its shares doubled in value, thanks largely to the Newcastle strike and a rumour that a new company would be formed to buy out all the West Coast mines. By then, industrial trouble in the New Zealand coal industry was already being prophesied. The decrease in competition helped other Dunedin-based ventures. The Walton Park mine managed small dividends of 5-6% from the mid-1880s, but was forced to write down its capital in 1894 and was wound up four years later.

Coal, like refrigeration, held the promise of great wealth, but there was little reward for Dunedin investors during the 1880s. The Union SteamShip Company provided better returns, sometimes paying dividends in excess of 20% in the early part of the decade. Its profitability declined sharply after 1887.

---

1 Mercantile Gazette, 15, 29 April 1876.
4 ODT, 30 June 1885.
5 ODT, 18 February 1886.
6 ODT, 13, 18, 22 February 1886.
7 Westport Coal Company Minutes, Extraordinary Meeting, 24 March 1887.
8 AIBR, 16 March 1888, p. 190.
9 AIBR, 15 September 1888, p. 642; October 16 1888, p. 740. The rumour was not without foundation. See Westport Coal Company Minutes, 20 July 1888.
10 AIBR, 15 September 1888, p. 642.
11 ODT, 25 December 1888; 4 December 1894.
and the average return in the 1890s was only about 5.5%. These results must be interpreted with the changing proprietorship of the USSCo in mind. Colonial investors held roughly two thirds of the capital in 1876. By 1886 this proportion was reduced to approximately one eighth. To a large extent, this dilution of the colonial shareholding had been caused by the issuing of new capital. There had been an absolute decline in the capital held in New Zealand from £112,580 in 1879 to £43,680 in 1890. Although it might have been one of "the most profitable companies", the profits earned by the USSCo increasingly went to off-shore investors. And in spite of its high earnings, local proprietors sold a substantial number of their shares, which suggests that the need for cash was forcing some to quit a very remunerative investment.

Implicit in the insulation theory is the assumption that profitability was not limited to a few leading companies but was reasonably common throughout the corporate sector. Olsson thus writes:

The 1880s and 1890s had been profitable decades. Between 1870 and 1883 the city's businessmen floated 89 joint stock companies, 17 of them with a capital value in excess of £100,000. Others, such as the British and New Zealand Mortgage and Agency Company and the National Insurance Company, were set up during the worst years and became colonial firms.

We have already seen that the British & New Zealand Company enjoyed no such success. The National Insurance Company was set up not during the worst years, but in 1873, when business conditions were at their most favourable.

Conservatism was a feature of the management of National Insurance in the 1880s. This was not surprising given the correlation between its directorate and that of the cautiously-run Colonial Bank and the fact that its liability was

---

3 E. Olsson, *A History of Otago*, p. 126. At least twenty-one companies were registered in Dunedin with a nominal capital of £100,000 or more. See Register of Companies, UN 62/R1089, Hocken Library.
4 G. Parry, *Underwriting Adventure*, p. 4. In similar vein, it might be noted that Kincaid McQueen, which is offered as an illustration of an engineering firm that expanded and prospered during the 1880s, was in liquidation in 1891. Olsson, *A History of Otago*, p. 91. *New Zealand Gazette*, 1891, Vol. 1, pp. 678, 723. The National Bank had advanced the firm £18,000 and wrote off a loss of £7,500. Inspection Reports, Dunedin Branch, 16 December 1889, March 1891, 1893, National Bank Archives.
unlimited. In 1882, however, the National Insurance increased its capital and began operations in Britain, Australia, California and India. The new agencies became a costly drag. No dividend could be paid in 1885 and over the next few years the directors held back much of the profits earned so as to build up the reserve fund. In consequence, shareholders were receiving just 2.5% on their capital and shares were trading at two thirds of the price originally paid for them. Not until 1892 did Ritchie feel confident that the Company had completed its "washing-up" of losses.

During the last three years of the decade, the directors' policy of retaining profits was repeatedly challenged by dissatisfied shareholders. There was resentment at the directors' use of proxy votes to swamp dissent and maintain members of their circle on the board. Ritchie, in particular, became a target for criticism. Samuel Shrimski alleged in 1890 that the affairs of National Insurance were being arranged to suit Ritchie's other business interests: "It seemed that the whole thing was drifting to this position: The National Mortgage Company would become the National Insurance Company." C.S. Keeves imputed dishonourable motives to the directors over their use of proxies and was checked by Ritchie in his capacity as Chairman. "You sit down, sir", retorted Reeves, "I am speaking. I won't be snubbed by you. You have snubbed me once and I will remember it as long as I live, and I won't allow you to do it again." In the long run, the board's prudence was in the best interests of National Insurance and the Company was, without doubt, the strongest of the local insurance ventures. But among investors hungry for income, the directors' intransigence was bound to be unpopular.

A more general understanding of company performance may be gained from Appendix 54, which examines the progress of thirty-two companies formed between 1870 and 1883 and having a nominal capital of more than

---

1 All insurance companies were required to become limited liability corporations in 1889.
2 G. Parry, Underwriting Adventure, Ch. 5.
3 The Company also lost £17,799 between 1885-1889. ODT, 5 November 1889.
4 ODT, 13 November 1889. Shareholders had paid a premium of 15s per share (i.e. a total of 25s) and were paid only 10% on 10s per share. Minutes of the National Insurance Company, 13 November 1889.
5 Ritchie to Stewart, 22 January 1892, p. 306, Ritchie Papers.
7 AIBR, 17 December 1890.
8 ODT, 13 November 1890.
£50,000.¹ The first point to be made about this table is that the rate of company formation is not an unambiguous indicator of a thriving business community. Companies were sometimes floated by private firms in serious need of an injection of capital. This was clearly the case with concerns such as the Dunedin City & Suburban Tramway Company, Matheson Brothers, Findlay & Co and the Glenledi Estate Company. In this respect, the seemingly high number of company registrations after the City of Glasgow collapse is deceptive.

The date of liquidation could not be ascertained in the case of three of the thirty-one companies.² Only eleven survived beyond 1901 and one of these, Standard Insurance, had almost collapsed in 1881. Of the sixteen that did not continue into the next century, thirteen were defunct by the end of the 1880s. This analysis does not include the Colonial Bank, which was incorporated by a special Act and became Otago’s largest corporate failure.

Although the companies formed in this period include some of Otago’s more durable business ventures, the high number of those that failed to prosper or existed only briefly suggests that the corporate sector was not in substantially better shape than that of Auckland.³ The performance of company ventures does not, it seems, explain the apparent contrast in the fortunes of Auckland’s "limited circle" and Dunedin’s "elite"; nor does Appendix 54 support the inference that the productivity of company investments was sufficiently high to offset the recession in agriculture and pastoralism.

Some companies did manage to pay high dividends out of what were genuine profits. Kempthorne Prosser was hailed as a "bright exception" among "the many companies formed to take over a going business, which have, as a rule, proved unsuccessful in this part of the world."⁴ After pursuing a policy of extreme caution in its early years, the Mosgiel Woollen Company was in a strong position in the 1880s.⁵ By 1885 it had paid £46,000 in dividends while keeping £17,000 in reserve.⁶ Some of the large ventures floated after 1883, for

---

¹ See R.C.J. Stone, *Makers of Fortune*, Table, pp. 82, 83.
² The New Zealand Railway Wagon Company, the Equitable Investment Company and the New Zealand Implement & Carriage Company.
³ Cf. R.C.J. Stone, *Makers of Fortune*, p. 78 and Ch. 5 generally.
⁴ AIBR. 10 March 1881.
⁵ AIBR. 10 January 1881.
⁶ AIBR. 12 December 1885, p. 736.
instance the DIC Company, were also remunerative. Capital was occasionally raised with surprising ease. In 1884 the Accident Insurance Association of New Zealand was launched with a flourish. It had a nominal capital of £100,000 and the "best known names in Dunedin" were on the provisional directorate, including Larnach, Driver, Wilson and Graham.1 In one week, 20,000 shares were taken up in Dunedin and 10,000 in Christchurch.2 But this concern was wound up within three years and, overall, the results of earlier company promotions do not mark the 1880s as a notably profitable decade.3

This conclusion is borne out by the impressions of contemporary observers at various stages of the depression. In the year after the City of Glasgow Bank collapse, the prices of all shares suddenly dropped away, in particular those of the Colonial Bank and National Insurance Company. The scrip of the latter shed a third of its value in very short time.4 "I never saw matters so soon changed", marvelled W.C. Roberts in March 1879:

Money has disappeared sharp and there is none of it here - all the banks are sharply and determinedly calling in trenchantly all without exceptions, no single loan company (or investment company) is lending out a penny - nor have they any free money to lend out and so it is haul in all round and to get in 10/- £5 worth of pressure has to be expended. Nothing will sell, land is locked up and no market but as yet no sacrifice or slaughter.5

As the year wore on there were no signs of improvement. "Things here are simply awful", ran Roberts' report in April, "I never saw such tightness".6 In May there was "[n]othing saleable - shares of all sorts down, down."7 By the start of spring the city streets were filling with unemployed men and there was still nothing to stimulate trade:

Money here in an awful condition - not procurable at any price... we are pulling, forcing, hauling, dishonouring daily and

1 Yeoman. 28 March 1884.
2 Yeoman. 28 March 1884.
3 Company File 100, Hocken Library.
4 W.C. Roberts to Larkworthy, 4 March 1879, Larkworthy Papers.
5 W.C. Roberts to Larkworthy, 4 March 1879, Larkworthy Papers.
6 W.C. Roberts to Larkworthy, 9 April 1879, Larkworthy Papers.
7 W.C. Roberts to Larkworthy, 7 May 1879, Larkworthy Papers.
Part Five, Chapter Three

hope to get in a lot - besides the lots "got in" - in the course of the next two months we are (so far as being a lending institution) practically closed. I never saw in any of the colonies such a change in such a short time.¹

Roberts' superior, John Murray, made his own assessment at the end of the year:

Generally I may say that great depression appears to prevail in Dunedin without any well grounded hope of early recovery. People there seem to have made up their minds to a considerable spell of bad times. Such an expectation is perhaps needlessly gloomy, though there is a good deal to justify it.²

In 1880 and 1881 money was more readily available, but the respite was only temporary.³ Reports from Dunedin correspondent of the AIBR reveal no material improvement in 1883. There were rumours about the soundness of certain old-established firms and it was noted that speculation in freehold land had already caused the demise of several others:

"Times very dull and transactions limited to immediate wants" - so run the prices current. "Just like the bad times of 1866-67", so say old colonists. "Worse that the City of Glasgow year", say later arrivals. I can corroborate these statements, except that we are better able to bear trouble than we were in 1866.⁴

The outlook at the middle of the decade was bleak - "severe commercial depression" in the words of the Otago Daily Times.⁵ The directors of the NZLMACo were advised that in the south "stagnation and lack of confidence have reached an extreme point and there is no good reason to hope for early relief."⁶ Trading on the stock exchange almost ground to a halt; the drapers' shops stood half empty of goods and the Daily Times wrote of "an army of

---

¹ W.C. Roberts to Larkworthy, 18 July and 14 August 1879, Larkworthy Papers.
² John Murray, Memorandum to the General Manager, 4 December 1879, General Manager's File, BNZ Archives.
³ ODT. 2 February 1881. NZLMACo Minutes, 8 January 1880.
⁴ AIBR. 12 June 1883, p. 239.
⁵ ODT, 1 January 1885.
⁶ NZLMACo Minutes, 12 August 1885.
swaggers" on the roads of the interior.\textsuperscript{1} The Chamber of Commerce went into abeyance for a period. "Dunedin claims to be the business capital of New Zealand", crowed the Wellington Post, "but business there must be in a bad state when the Chamber of Commerce cannot even eke out an existence."\textsuperscript{2} In 1886 Ritchie was moved to write:

\begin{quote}
Things are a shade brighter in Ch:ch: but here & in Southland terrible. Everybody pretty well on the verge of bankruptcy and traders are now feeling the pinch, & many have gone to the wall. I never saw such times but daresay they will come round.\textsuperscript{3}
\end{quote}

The papers of Antony Gibbs & Co offer a rare glimpse of business conditions through the eyes of one of the large mercantile houses of the period, Gibbs Bright & Co. This firm imported soft goods and made advances on consignments of wool and grain. Vicary Gibbs inspected the Dunedin branch in 1884 and was "disgusted" with its position.\textsuperscript{4} He reported:

\begin{quote}
Business is in a very bad state in Dunedin. Almost all the firms are insolvent except Briscoes & ours & one or two more. They are all kept up by the Banks, and the Bank of N Zealand is actually obliged to run on its own account a large ironmongery and furnishing business [Guthrie & Larnach]. I fancy people in England have a very exaggerated value of securities in New Zealand and the failure of a Bank or Loan Coy would cause an awful burst up & exposure. Most of the private firms are being driven out of trade by these big companies to whom the confiding B[ritish] P[ublic] lend money at 4\% as much as they want.\textsuperscript{5}
\end{quote}

Although he had gained the impression that Dunedin was "a place of shipwreck for reputations", F.A. Keating was prepared to undertake the firm's management in that place.\textsuperscript{6} He did not seem to enjoy mixing with the city's "dull old Scotch traders" and quickly decided that it was not worth keeping the

\textsuperscript{1} Ritchie to Charles de Vere Teschemaker, 7 May 1885, p. 314, Ritchie Papers. ODT. 10, 31 July 1884.
\textsuperscript{2} Quoted in ODT. 6 May 1887.
\textsuperscript{3} Ritchie to W.S. Davidson, 14 October 1886, p. 62, Ritchie Papers.
\textsuperscript{4} Vicary Gibbs to Tyndall, 31 [March?] 1884, MS 11, 110A Guildhall Library, London.
\textsuperscript{5} Vicary Gibbs to Regi, 1 March 1884, MS 11, 110A, Guildhall Library, London.
\textsuperscript{6} F.A. Keating to Vicary Gibbs, 3 May 1884, MS 11, 110A, Guildhall Library, London.
firm going: it was "merely running heavy risks without reasonable prospect of any profit at all."1 Station properties were unsaleable and Keating feared that if a panic set in, their securities would be worth little or nothing.2 The fall in the price of wool was "causing the most gloomy prophecies as to the future."3 Another representative of the firm claimed that "the whole place is bankrupt."4 There seemed to be little alternative but to liquidate the Dunedin business on the cheapest possible terms. "One doesn't like evacuating territory, but Dunedin is only a cause of anxiety and we can see no prospect of improvement."5

Importers in general had made little or no headway after the City of Glasgow Bank failure. After a disastrous year in 1883, the city's merchants were reported to be grossly overstocked. They also faced competition from the loan companies, who, being desperate for income themselves, were beginning to indent for retail traders as well as squatters.6 The next year, Walter Turnbull learned that "all Dunedin merchants confess that during the past two years none of them have made any money."7 Importers, according to the Dunedin correspondent of the AIBR, "have had their day in New Zealand, and have reaped a bountiful harvest."8

I detected a significant change for the worse in Dunedin and Auckland in 1887, and reported the next year that the depression was concentrated in these places and in Southland.10 At the same time, Ritchie condemned the "deplorable amount of bankruptcy and default."11 The year 1888 witnessed a bleeding of population

1 F.A. Keating to Bell, 4 December 1884; Keating to Eddie Tower, 27 October 1885, MS 11, 110A, Guildhall Library, London.
3 Keating to Vicary Gibbs, 18 September 1885, MS 11, 110A, Guildhall Library, London.
4 Keating to Vicary Gibbs (quoting Curtayne) 4 May 1885, MS 11, 110A, Guildhall Library, London.
5 Keating to [correspondent obscured], 3 September 1885, MS 11, 110A, Guildhall Library, London.
6 Reid to Turnbull, 4 October 1885, Turnbull Papers.
7 Reid to Turnbull, 27 May 1884, Turnbull Papers.
8 AIBR, 16 June 1885, p. 47.
9
10
11 Ritchie to the London manager of NMACo, 19 April 1888, p. 307, Ritchie Papers.
to Victoria, "which seems to be the vortex into which all are drawn".¹ Many
were enticed by the share and property boom in Melbourne, although the Daily
Times used the slump of 1879 in Otago as a warning against such transitory
events.² Fresh interest in mining ventures revived speculation in 1889 and the
1890 Exhibition increased the business done by Dunedin traders. Some
bankers, however, expected the improvement to be shortlived.³

The mood of the commercial community in the 1880s was subdued and
there were times of near panic, especially when wool and grain prices
plummeted in the middle of the decade. It seems that few of the men who
lived through these years would have characterised them as profitable, and
there was little perception that buoyancy in the corporate or industrial sectors
was offsetting the decline in Otago's major exports. As a tool for explaining the
fortunes of urban businessmen in 1880s, the "insulation" theory is of limited
value, and the evidence so far adduced in its support is slight. Olssen
acknowledges the severity of the depression in the first half of the decade but
argues that the "mercantile-professional elite survived... reasonably well...",
apparently through the supposed switch from rural investments to industry
and shipping.⁴ The experience of the "inner circle", to which our attention
now turns, offers a more personal insight into the question. It suggests that the
slump seriously troubled those who had led the business community in the
1870s and ruined some of its most prominent members.

¹ AIBR, 16 June 1888, p. 427.
² ODT, 13 April 1888. For comparisons between the two booms, see 25 December 1888.
³ By 1890, Ritchie was
⁴ confident that the economy had begun to recover. See his address to the Chamber of Commerce, ODT,
²⁹ July 1890.
⁵ E. Olssen, A History of Otago, p. 91.
CHAPTER FOUR - THE "INNER CIRCLE" AFTER THE 1870s

Death claimed two victims from the "inner circle" in the 1870s. William Tolmie's spending spree in the early years of the decade meant that his estate was heavily encumbered by mortgages when he died in 1875. His executors (E.B. Cargill, H.J. Gibbs and Donald McLean of The Levels station) initially deposed that his personal estate was under £35,000, but James Rattray later amended this to £65,000. How far this valuation was affected by Tolmie's debts is not entirely clear. At the time of his death he owed £60,331 on The Cairn, Merrie Creek and his Waipahi land. Islay was mortgaged for a further £11,666, but the financial position of Clifton station is not recorded.1 Wairuna was offered for sale in 1878.2

The British & New Zealand Company provided finance to allow the estate to continue, apparently because the properties could not be sold. The Company held a mortgage of £32,000 in 1882, at which time the estates were said to be unsaleable.3 The executors had earlier applied for relief from the NZLMA Co and been declined.4 Donald Tolmie's bankruptcy in 1881 may be an indication that the family was not in a healthy financial position.5

Tolmie's former partner in Dalgety & Co, Charles Nichols, died in 1879 a wealthy man. His assets were valued at £162,300 and a further statement in 1883 records an even higher figure, £172,000. The bulk of this sum, £158,000, was loaned on mortgage and earned just over 12%; the remaining £14,000 was Nichols' 7/62 share of Morven Hills station.6

As one would expect, fortunes of this size were not exceptional among the "inner circle". The £435,000 left by John Roberts in 1934 was probably the largest. Roberts was seemingly untroubled by the hard times of the 1880s, although two of his New Zealand brothers-in-law suffered badly: Thomas Sherlock Graham was adjudged bankrupt in 1886 and James Macassey died insolvent in 1880.7 Elizabeth Macassey, supposedly the first white woman born in Otago, was left with the family furniture and a life insurance policy worth £1,000. The BNZ took over her husband's remaining property and other creditors received ten shillings in the

---

1 These figures are taken from Tolmie's Probate File (250), Dunedin High Court.
2 QBD, 12 December 1878.
3 Probate File 250, Dunedin High Court.
4 NZLMA Co Minutes, 12 June 1879.
5 Insolvency File 887, 8 August 1881, Dunedin High Court.
6 Probate File 632, Dunedin High Court.
7 For Graham, see Insolvency File 295, Dunedin High Court.
Macassey had lived well during the 1870s, building a fine new house and taking an overseas trip on the eve of his death. He had also made some ill-advised purchases of station property. "He has been," wrote Roberts, "like most professional men, not given to living below [his] income." Roberts was critical of his brother-in-law, once referring to him as "a strange mortal". He was aghast at the state in which Macassey had left his finances: "It may be wrong of me to say so, but I cannot help saying it - that it is an infernal shame the way Macassey left Lizzie and the children."

Roberts, of course, was well able to provide for his less fortunate relatives. With a twinge of jealousy, Ritchie wrote in 1893, "he has got very hard - grasping - & greedy of late years - everybody notices it."

Ritchie himself left £138,658 when he died in 1912. His correspondence contains no hint that his personal affairs were ever a source of anxiety. Ritchie's old partner, George Gray Russell, died in Bournemouth in 1919 and his assets were sworn to be under the value of £100,000. Mills had investments worth at least £98,000 when he died in 1936. He had lived in England since 1906 and all but severed his links with New Zealand when the USSCo was sold to the P & O shipping line in 1917.

Richard Oliver's New Zealand Hardware Company was able to negotiate the depression successfully. He also died in Britain and his estate realised about £103,537. P.C. Neill seems to have been even more successful. His estate was valued at under £176,000 in 1936. The indications are that the most of this fortune was made outside the period under consideration. By leaning heavily on its bankers, Neill & Co handled a large volume of produce, but on narrow profit margins. A Wellington visitor found that "all the Dunedin merchants are sore against Neill & Co because of their low prices." The firm ran into trouble in the

1 Ritchie to Russell, 28 July 1880, p. 72, Ritchie Papers.
2 Thomas Roberts to John Roberts, 29 July 1880, 625/13, Roberts Papers.
3 Macassey had bought a run at Queenstown and Ritchie observed, "the rental is very high & so is the country." Ritchie to Roberts, 21 June 1875, 625/4, Roberts Papers. Macassey also had a share in Rotomahana station with the Roberts family.
4 Roberts to W. Murray, 3 June 1880, 625/33, p. 579, Roberts Papers.
5 Roberts to N. Kettle, 18 February 1880, 625/33, p. 448, Roberts Papers.
6 Roberts to William Murray, 4 June 1880, 625/33, p. 587, Roberts Papers.
7 Ritchie to W.H. Levin, 18 February 1893, p. 388, Ritchie Papers.
8 Probate File 1995, Dunedin High Court. AAEC 638/102, National Archives.
9 Probate File 6538, Dunedin High Court.
11 Probate File 1212, Dunedin High Court. AAEC 638/102, National Archives.
12 Probate File 15141, Dunedin High Court. Stamp duty was paid on the sum of £158,913.
13 Reid to Walter Turnbull, 27 May 1884, Reid Papers, MS Papers 2631, Alexander Turnbull Library.
early 1890s, and in 1893 it was forced to write off over £7,000, including the entire reserve fund.\textsuperscript{1} Neill and Denniston fell out; Denniston resigned from the business, leaving W.H. Reynolds as Neill’s remaining partner.\textsuperscript{2} At this time the firm was employing nearly £20,000 borrowed from the Colonial Bank.\textsuperscript{3}

Neill was by no means cowed by the hard times of the 1880s. He interested himself in the affairs of the British & New Zealand Company and represented this concern to be in a strong position as late as 1885.\textsuperscript{4} He tried to have the Company's account removed from the Colonial because he objected to the presence on the board of Russell and Ritchie, representatives of the British & New Zealand’s main competitor.\textsuperscript{5} Strangely enough, Neill was on sufficiently good terms with Russell to join him in an undisclosed business proposal, apparently involving consignments of wool, which was to have required banking assistance of £200,000.\textsuperscript{6}

Other members of the Neill family did not have Percival’s resilience. The firm of Neill Brothers, with Robert and William Godfrey Neill as partners, had not fared well in the early 1880s. Their debts, including a large overdraft with the National Bank, were guaranteed by Henty & Co of Melbourne. When this famous firm collapsed in unusual circumstances in 1885, the credit of Neill Brothers was destroyed.\textsuperscript{7} Their bankrupt estate yielded well under 10s in the pound and the National Bank lost £10-12,000 by the failure, one of its worst debts in the 1880s.\textsuperscript{8}

The Holmeses were another family that did not pass through the depression entirely unscathed. It is likely that Mathew Holmes still had much of his wealth by the time of his death in 1901. He remained in possession of Castlerock station and it appears that his large freeholds in North Otago had been divided between two of his sons, Mathew and James.\textsuperscript{9} But Allan Holmes did not inherit his father’s money-making abilities and this would later cause the family considerable embarrassment.

---

\textsuperscript{1} Probate File 3949, Dunedin High Court.

\textsuperscript{2} See Appendix 55, Volume Two.

\textsuperscript{3} Part Five, Chapter Four
Allan Holmes, twice president of the Dunedin Club, hovered on the verge of bankruptcy from the mid-1880s until at least the end of the century. As Downie Stewart recalled, Holmes's massive head was perched atop a frail body, and his nicotine addiction gave him a constant, asthmatic cough. He was also addicted to gambling and mining speculations.

Mathew Holmes was the only hope of relief.

Mathew Holmes, never an easy man to handle, was not to be pressured in this way. Although he was thought to be worth £150,000 at the time, he was angry at his son's profligacy and refused to help. Allan Holmes continued to speculate, meeting with some success around 1889, but by the early 1890s his position was worse than ever. The income from his small practice scarcely covered the maintenance of his family and all he could do was wait for a share of his patrimony.

By the time his father drew up his last will, Allan Holmes owed his brother £15,000 and he died leaving less than £100. William Reynolds took a less conspicuous part in commercial life as the 1880s wore on and, beyond his activities as a director of various companies, it is difficult...
to chart his progress. With George Eliot Elliot, he is recorded as having provided a loan of £30,000 to the Dunedin & Peninsula Railway Company in 1881. It seems he also had sufficient capital in hand to make an offer for the New Zealand Times. Reynolds was a sleeping partner in Neill & Co to the extent of one fifth of its paid up capital. His will contains no suggestion that there was extensive real estate for his executors to deal with, but nor does it reveal any sign that there were significant debts to be satisfied. His estate was valued at £14,177.

James Rattray’s later career ended on an ambivalent note. The Rattrays were a mainstay of Dunedin’s social life, but their displays of largesse rested upon an unsteady financial position. James had some heavy losses to bear in the 1880s. He was chairman of the failed timber company, Findlay & Co, and owned two fifths of the McLeod Bros Soap & Candle Factory, of which he was also chairman of directors. The factory ran into difficulties, and John McLeod, the majority shareholder, declared himself bankrupt. The failure of Esther & Low, moneylenders and liquor merchants, was another blow, which cost Rattray £1,200.

As was so often the case among Dunedin businessmen, expenditure on land caused the worst of Rattray’s problems. In partnership with Alexander Brown he took up 69,000 acres of leasehold at Beaumont and bought 12,000 acres of freehold at Wairuna. The Wairuna estate cost £24,000 and a further £10,000 was spent on improvements. Rattray had been a colonial director of the National Bank since 1885 and was therefore able to procure finance without close scrutiny of his affairs.

certainly in excess of £25,000 and there was also a liability to the Otago & Southland Investment Company of £20,000.

---

1 Mercantile Gazette, 4 June 1881.
3 AAEC 638/98, National Archives.
4 Insolvency File 6, (under the Bankruptcy Act 1883), Dunedin High Court.
5 AIRR 17 September 1885, p. 523.
6
7
In 1898 the firm showed signs of recovery and Rattray seized the opportunity to ask for an abatement of his debts.

George McLean and the Collapse of the Colonial Bank

In his private affairs, George McLean had his share of worries in the 1880s. There were rumours that, like his old business partner E.B. Cargill, he was "not over flush with cash". McLean was much tormented by a liver complaint and signs of old age were becoming noticeable. "There is always a lower stratum of..."
excellent sense in the old man's composition", wrote Ritchie, "but it is sometimes hard work to strike it with a bore."\(^1\) Until the takeover of the Colonial Bank, McLean continued to enjoy an "enviable reputation of possessing extraordinary natural sagacity, care, ability and tact, and wide commercial banking and legislative experience."\(^2\) This image was chiefly a reflection of the Colonial's apparent soundness. Because it confined its business to the colony, it was widely believed that the Colonial was free from entanglements in England and Australia. Almost to the last, it possessed a name for stability "beyond that enjoyed by any other bank."\(^3\) In 1895, on the eve of the decision to liquidate, McLean delivered a favourable report on the Bank's condition, observing that the balance sheet "ought to satisfy the most exacting as to the strong position of the Bank both in the colony and in London."\(^4\) This claim was shortly to embarrass him, for the examination of the general manager, Henry MacKenzie, would reveal that McLean had already been told it would take at least £150,000 to "clean up" the Bank's losses.\(^5\)

The end came suddenly. In 1893 the financial environment of New Zealand was shaken by a dramatic banking crisis in Australia, during which thirteen institutions suspended payment in six weeks.\(^6\) In response to a request from the BNZ, the Government moved to prevent a panic by passing the Bank-note Issue Act. This measure authorised the Executive to guarantee the note-issue of any bank operating in the country. It had received the approval of all the major banks.\(^7\) In 1894 John Murray wrote his famous letter to Seddon, in which he informed the Premier that the closure of the BNZ was imminent. This calamity, he stated, could only be averted if the Government interceded and guaranteed the issue of £2m of preference shares.\(^8\) Legislation was hurried through Parliament and the capital guarantee was established by the Share Guarantee Act. Some opposition members speculated that this was a deliberate strategy on the part of the BNZ directors and that the affairs of the Bank were not as serious as Murray had represented.\(^9\) Although there may have been some element of truth in these

---

1 Ritchie to Darling, 1 June 1893, p. 463, Ritchie Papers.
2 ODT, 24 March 1897.
3 H.D. Bedford, "The History and Practice of Banking in New Zealand", p. 305.
4 ODT, 24 March 1897.
5 ODT, 24 March 1897.
7 AIHR, 1896, I-6, p. vii.
8 AIHR, 1896, I-6, p. viii.
claims, it is now very difficult to assess whether or not the BNZ was indeed on the point of closure.

McLean was consulted by the Colonial Treasurer before the Bill was passed. He had long wished for a union of the two New Zealand banks and used the opportunity to urge that the Government's business be transferred to the Colonial Bank, which might then proceed to liquidate the BNZ.¹ This proposal was not likely to win favour in the House, where the representatives of the Colonial occupied a weak position. McLean's suggestion was disregarded. A bid to amalgamate the two banks failed at this point because of the Government's insistence that the profits of both would be required to supply the deficit in winding up the Bank of New Zealand Estates Company.⁴ That concern had recently failed by £30,000 to earn sufficient profits to meet its debenture repayments and the proposal would have been unacceptable to the proprietors of the Colonial.⁵ This difficulty was removed in 1895 when the BNZ successfully appealed for government aid in the liquidation of the properties held by the Estates Company. A realisation board was established and authority given to raise £2,734,000 on debenture, the Government

¹ AlliB, 1896, 1-6, p.x.
² H.D. Bedford, "The History and Practice of Banking in New Zealand", p. 309.
³ N.M. Chappell, New Zealand Banker's Hundred, p. 160.
guaranteeing to supply any deficit resulting from the disposal of the Estates Company's assets.1

The 1894 legislation seems to have convinced McLean that he had little choice but to reopen negotiations for combining the two banks, although it was clear that the Colonial was not in a position to dictate terms. In a period of extreme uncertainty, it would have to fight a rival that was now "backed by the funds of the Colony and supported by the Government."2 McLean believed the Colonial was on the verge of being destroyed by the instability of the BNZ:

My opinion was that unless the Bank of New Zealand was put right the banking atmosphere would never be settled and if the Bank of New Zealand had to come to Parliament again, the Colonial Bank, after all its pains, might be forced into liquidation.3

The Colonial was so placed that it would not survive the crisis unless some decisive action was taken. Confidence in the Colonial had obviously fallen. It had lost £600,000 of its deposits in the panic of 1893.4 A large volume of its shares was placed on the market and the price of £2 shares fell to 13s.5 In addition, the Colonial had incurred some heavy losses, for which provision would soon have to be made. McLean was very guarded on this point: "We had taken in hand several accounts we meant to see the bottom of, and no doubt we would have had, when we came to that point, to write down some capital to meet it."6

The directors could either sell the Colonial or make a call under adverse circumstances. McLean felt that the latter course would not be successful. He feared that it would lead to a run, which would spread to the other banks.7 The prospect of a call was, he claimed, "frightening the life out of our shareholders."8 Some "enormous" calls had been made by the Australian banks without stabilising their affairs and the consequences for shareholders had been disastrous.9 McLean found that he had "a lot of shareholders running after me and declaring that they did not mind what they got out of their shares so long as they got out of their

---

1 AIHR, 1896, I-6, p. xi.
2 "Examination of the Hon. George McLean", p. 11.
3 "Examination of the Hon. George McLean", p. 11.
4 AIHR, 1896, I-6, p. 364.
5 H.D. Bedford, "The History and Practice of Banking in New Zealand", pp. 319, 320.
6 AIHR, 1896, I-6, p. 364.
7 AIHR, 1896, I-6, p. 367.
8 AIHR, 1896, I-6, p. 364
9 AIHR, 1896, I-6, p. 367.
liability." He decided not to force a call on shareholders because the value of the call might exceed the market price for their shares. The only alternative was to sell to the BNZ and recover the value of the remaining capital.

Before the terms of sale were agreed, the business of the Colonial was carefully examined by inspectors of the BNZ. Their investigations showed that the Colonial's accounts were in a much poorer state than had hitherto been revealed. One of the worst was that of Joseph Ward, the Colonial Treasurer, whose personal liabilities to the Colonial Bank amounted to £96,150. The BNZ refused some accounts outright and others were accepted only if covered against eventual loss by the Colonial Bank liquidators. It was rumoured that the Government had applied pressure on the Colonial to have Ward's account classified as one of the "A" or sound accounts, but no firm evidence ever emerged.

The decision to sell out to the BNZ was not universally popular. Larnach, for one, believed that the Colonial could carry on and that the price being offered was too low. McLean was attacked by those who thought the assets had been unnecessarily sacrificed. Ritchie told W.S. Davidson, "the whole lot including especially our dear friend old Georgy do not leave too fragrant a memory behind them." In a later letter he expressed the view that "Geo. McLean & others of the Colonial Bank crew have really sold the Bank for politics. The whole business is nothing short of infamous". Having severed his connection with the Colonial in 1892, Ritchie could afford to be critical: "What luck I had in leaving the Board three years ago & selling my shares!!"

There was more controversy over the appointment of provisional liquidators. The directors nominated three men for this task, which would be the acid test of their management of the Colonial. The men proposed were W.B. Vigers, once an inspector of the Bank, Keith Ramsay, a former auditor, and William Larnach. No doubt with an eye to the ratification of their appointments by the shareholders, this triumvirate quickly applied for permission to issue a ten shilling dividend. After considerable expenditure in obtaining proxies, and empty talk of a further

1 AlHR. 1896, I-6, p. 384.
2 AlHR. 1896, I-6, p. 384.
4 AlHR. 1896, I-6, p. 220.
5 Ritchie to W.S. Davidson, 25 November 1895, p. 188, Ritchie Papers.
6 Ritchie to W.S. Davidson, 20 December 1895, p. 208, Ritchie Papers.
7 Ritchie to W.S. Davidson, 20 December 1895, p. 208, Ritchie Papers.
fifteen shillings dividend, the liquidators defeated the opposition of a section of
the proprietary and were confirmed in their positions.1

The Supreme Court, however, refused permission for Larnach to act as
liquidator because, as a director, he might become involved in a conflict of interest.
Larnach was upset at the implication he could not be trusted to act fairly in the
interests of shareholders and published a pamphlet criticising the judge's ruling.2
It is unlikely that he could have discharged his duties with absolute impartiality,
being inconvenienced by his obligations to the reformed BNZ. In 1896 he wrote to
Henry MacKenzie:

In reference to the talk you say occurred at your Board over my
matter, I think you may assure the gentlemen composing it that
they are not dealing with a thug - I think this is Hindoo... The
Bank will be paid within a reasonable time.3

In the same letter he thundered:

I curse the day that I ever touched the blasted Colonial Bank
shares and then I would never have been in the infernal position
of director, surrounded by old women as colleagues, dressed in
trousers; upon my soul, this whole business, from first to last has
almost deranged my mind so much has it preyed upon my
thoughts day and night... I have never experienced such turmoil.4

The next year he appealed for forbearance a letter to Alexander Michie, manager of
the BNZ in Dunedin: "to press any of the securities on the market at the moment
would be injurious to their value and hurtful to me."5

Larnach's successor, W.L. Simpson, was not in an entirely independent
position either. As manager of the Trustees Executors & Agency Company, some
of the directors to whom he was answerable had been closely identified with the
Colonial Bank and one was a member of its last board. An application for the sale
of Joseph Ward's assets was also turned down by Judge Williams on the grounds

---

1 V.M. Braund, "A Romance of Trade and Politics", Wellington, 1905, Ch. 5. I have relied upon Braund's
analysis for this account of the Colonial Bank liquidation. Although his own role in the conflicts over the
Bank's affairs requires that his explanations be treated with caution, much of his argument appears
reasonable.


3 Larnach to H. MacKenzie, 18 January 1896, Larnach Papers.


5 Larnach to Michie, 10 May 1897, Larnach Papers.
that his affairs should be examined in a court of bankruptcy. Had the proposed terms of this sale been assented to, shareholders would later have been required to refund a shilling of their first and only dividend.\(^1\) The revelation of Vigers’ part in the earlier mishandling of Ward’s account led to an unsuccessful agitation to have him also removed as a liquidator.\(^2\)

The repercussions of the Bank’s sale continued to hold public attention over the next two years. A report on the progress of liquidation left many surprised that the Colonial had carried so much unsound business while continuing to pay dividends and otherwise professing to be in a good condition. Ritchie considered that:

\[
\text{[McLean's] explanation about the Colonial Bank is ingenious, but while I cannot say that anything dishonourable has been laid to the charge of the Directors, the revelations of the Liquidator’s report &c show extraordinary laxity or even recklessness, which is quite a mystery to myself at present.}\(^3\)
\]

McLean and the Colonial’s late general manager, Henry MacKenzie, were examined before Judge Williams by counsel representing the liquidators. By shifting responsibility for the Bank’s mismanagement from the directors, McLean’s account of the affair let the blame fall upon senior officers of the Colonial. Henry MacKenzie, the general manager, was obliged to resign from his position with the reconstituted Bank of New Zealand. He left for England with his career in tatters. Ritchie, who was related to MacKenzie by marriage, was touched by his misfortune:

\[
\text{He is a generous hearted fellow - too easy - & gave himself away to other men in the whole of these Banking affairs. These men have so far escaped - He necessarily became the scapegoat - the first one anyhow.}\(^4\)
\]

Less sympathy was shown by the \textit{Otago Workman}, which revelled in the embarrassment of the city’s capitalists:

---

1 V.M. Braund, "A Romance of Trade and Politics", Chs. 5-7.
4 Ritchie to Walter Brodie, 11 May 1897, p. 462, Ritchie Papers.
From first to last the examination of Mr Henry MacKenzie discloses such a romance of banking that even the famous Glasgow Bank scarcely eclipses. It reveals such a slipshod state of management that will probably make the public very chary of investing in any company with which any of these blessed directors are mixed up.¹

The worst of the Colonial’s clients also made easy targets. Joseph Ward and the Rev. John Ryley (one of Otago’s most doctrinaire Presbyterians) were condemned in many quarters. In Ward’s case, political feeling undoubtedly coloured the discussion, and the press and public quickly sensed an element of hypocrisy in the criticisms levelled at the Colonial Treasurer. The greater portion of the Bank’s lock-up could be attributed to account holders whose identities were never revealed. This can be confirmed by reference to Appendix 56, which shows that over £250,000 of the sum written off in the liquidation had come from the “B” accounts. Inevitably, the “B” list included some members of Dunedin’s “Upper Crust”, which had been so loud in its denunciations of Ward.² One correspondent to the ODT maintained that had a list of the men who “broke the Bank” been published, “we would have a few pharisees less.”³ Very few clues remain as to the composition of the “B” and “D” categories. Details of the accounts of several prominent Dunedin businessmen are contained in Appendix 57.

The takeover of the Colonial left an impression that serious mismanagement, if not fraud, had been the source of the Bank’s troubles. Attention focused on the terms of sale and the poor results of the liquidation. The Banking Committee of the House of Representatives reported that the position of the Colonial, as disclosed in the examination that preceded the purchase agreement, showed that “mismanagement must have taken place, the responsibility for which rests upon the directors and officers of that institution.”⁴ The basis for this conclusion was the last balance sheet of the Bank, which put down as good assets the whole of the accounts later classified as “A”, “B”, “C”, and “D”. Dr Bedford concurred with this view in his analysis of the Bank’s liquidation. In paying dividends to prop up confidence in the Bank, the directors had been “systematically violating paragraph

¹ Otago Workman, 20 March 1897.
² Otago Workman, 21 August 1897.
³ ODT, 27 February 1897.
⁴ AIHR, 1896, I-6, p. xi.
103 of the Deed of Settlement which required bad debts and seriously doubtful debts to be deducted [from the profits.]"1

It is certainly strange that, after declaring the Bank to be healthy in September 1895, the directors then accepted the BNZ's judgment that £102,274 of the Colonial's accounts were valueless, £98,382 required an absolute guarantee and a further sum of £604,695 was so doubtful that a guarantee of £327,305 would have to be given. This had apparently passed through the mind of Judge Williams during the examination of McLean. He remarked that if the last balance sheet was correct, the Colonial Bank had made a bad bargain; if it had made a good bargain, the balance sheet was delusive.2

McLean always denied that the directors had concealed the true state of affairs. His defence was that the board did not become aware of substantial losses until May 1895, when new information was received about the accounts of Ward and others. "The Bank appeared to have come through a period of severe trial better than probably any other financial institution in Australasia... and we had every reason to congratulate ourselves."3 He rejected suggestions that the board should have known that the reserve fund had gone and that insufficient provision had been made for bad debts.4

McLean was on firmer ground in claiming that the State protection given to the BNZ had seriously disadvantaged his Bank. While the Colonial had been forced to reduce advances because it had lost so many deposits, the Bank of New Zealand had £2m of government money, which it could deploy in competition with its Dunedin rival.5 This result could be traced to the repeated failure of the Colonial to win a more significant share of the Government's banking business. The BNZ's position as practically the sole banker to the Government had clearly counted in its favour when the crucial decision had been made to prevent it from falling into liquidation.6

The directors of the Colonial also came to regret that they had not sold the assets of the Bank outright, but had indemnified the BNZ against loss while the latter worked them at its discretion. William Downie Stewart believed the

---

1 H.D. Bedford, "The History and Practice of Banking in New Zealand", p. 308.
4 "The Examination of the Hon. George McLean", p. 26. This explanation did not convince the QDT. See the editorial of 18 February 1897.
5 AJHR, 1896, 1-6, p. 135.
6 AJHR, 1896, 1-6, pp. 362, 363.
accounts were being managed so that the cover demanded against them would prove to be justified. This would cause both a heavy loss to the shareholders and "a wrecking of the accounts in the 'B' list."1 McLean repeated this complaint. There had been "far too much politics in the whole matter, and this element had been simply ruinous."2 If the Colonial had been sold for a lump-sum, as he had wished, the BNZ would have handled the accounts "in a different way from what they will do if they think they can give the Colonial Bank a dig."3 When pressed on this point, he explained:

You see there has been a terrible feud all through. They have been trying to kill the Colonial Bank, but it was too much for them until the colony came to their aid, and then the Colonial Bank could not fight the Bank of New Zealand and the colony too. The Colonial Bank shareholders are all in the colony, and have all their interests in the colony, and the bank deserved better legislation than to be ruined.4

It was convenient for the Colonial directors to blame the BNZ's management of accounts for the poor results of the liquidation, for this diverted attention from the state in which they had been transferred. But outsiders also shared this opinion. William Watson, President of the BNZ, acknowledged to the Banking Committee that "very worthy and deserving persons" were being plunged into difficulties by the manner of liquidation.5

The takeover of the Colonial had been very timely for the directors. It saved them from having to make awkward disclosures about the losses on its bad accounts, a step that could not be delayed much longer. Had this occurred, there would probably have been a new board, a committee of investigation and the likelihood that any malfeasance would be detected. Although there were strong suspicions that the directors had disguised the true position of the Bank in its latter years, McLean was the only one of them to be judicially examined. Calls for other members of the board to explain their part in issuing the misleading balance sheets were ignored.6 The Colonial directors might have considered themselves unlucky

---

1 AIHR, 1896, I-6, p. 345.
2 AIHR, 1896, I-6, p. 366.
3 AIHR, 1896, I-6, p. 366.
4 AIHR, 1896, I-6, p. 366.
5 AIHR, 1896, I-6, p. 134. Watson had formerly been an officer of the Colonial.
6 ODT, 13, 18 February; 26 April 1897.
if they had been prosecuted. The Banking Committee of 1896 considered that the crisis in the affairs of BNZ in 1888 was attributable to "errors of judgement and gross mismanagement" for which the directors and senior officers ought to have been examined with a view to criminal proceedings. This was a much clearer case for litigation than the actions of the Colonial directors, but no steps were taken.

As the process of liquidation dragged on, the recriminations gradually lost their sting. Under an amendment of the Companies Act in 1901, the liquidators were replaced by the Official Assignee. They never published a report of their stewardship after 1897, nor did they advise shareholders about suing the directors. The Official Assignee, who was of course practically ignorant of the complex matters of which he now had charge, brought the winding up to a close in 1905. A mere £11,000 was distributed as final dividend and the great bulk of the Colonial's were records were consigned to the furnace. Proprietors of the Bank received just over 11s on their £2 shares. It was a miserable end to what had once been the pride of Otago commerce.

McLean had been identified with the Colonial perhaps more than any other individual, having served continuously on its board since 1876, for much of the time as chairman. In consequence, the Bank's demise was for him a personal disaster, which marred the end of a long and sometimes troubled career. "[T]he dry nurse of the Bank", as one critic had called him, he had been a daily sight "oscillating between the Colonial Bank building and the office of the Union Steam Ship Company". But his presence on the directorate of the Union was now an embarrassment. "All the Colonial Bank business is very miserable", wrote Ritchie in 1897, "& the Hon: George has lost caste very much over it all - We are not altogether comfortable at U.S.S.Co's Board - but he has no power of harm there." E.B. Cargill and J.R. Jones left the directorate of the Union Company in 1903, increasing McLean's isolation from the other directors. He resigned in 1905 and marked the occasion with a speech which gave the impression that "the Union Company was solely the brainchild of George McLean." On his death in 1917, his estate was valued at under £30,000.

---

1. AIHR, 1896, 1-6, p. xiii.
4. ODT, 24 March 1897.
5. Ritchie to Stewart, 6 July 1897, p. 493, Ritchie Papers.
7. Probate File 4060, Dunedin High Court.
George Turnbull

George Turnbull's slide to financial ruin gathered momentum over a period of some seven or eight years before his bankruptcy in 1884. The nature of W. & G. Turnbull's business, like many other colonial merchants, was not clearly defined. His importing and bonded warehouse trade was frequently supplemented by a diverse range of speculations. Some of these resulted in considerable losses, especially his wheat purchases in 1873 and 1874. In 1876 he wisely divested himself of some property for a family trust.1

During the mid 1870s some of his colleagues became convinced that he was going beyond his legitimate trade and speculating to procure enough capital to remain solvent.2 Ritchie had occasion to probe Turnbull's affairs while trying to extract from him money claimed by the firm Paton Grant & Co of Glasgow. His enquiries led him to suspect that W. & G. Turnbull was not in a sound condition.3 Confidential discussions with the manager of the National Bank reinforced this view.4 Turnbull appeared to be propping up "weak or rotten traders", presumably to provide an outlet for his wholesale imported goods.5 One of them may have been Bela Singer, who began business in 1878 with almost no capital and failed in 1882, leaving Turnbull as a major creditor.6 Ritchie predicted that "Turnbull will burst up before very long, and when he does there will be some queer revelations."7 After watching Turnbull's conduct on the Harbour Board he wrote, "I wd not trust him £100 in business."8

Turnbull's own bankers, the BNZ, were not blind to his position. W.C. Roberts began applying pressure on him from the start of 1876. Turnbull's business was considered large, but he had scarcely enough capital and relied too heavily on the Bank at a time when money was tight.9 Despite a clear appreciation

---

1 ODT, 23 August 1884.
2 Ritchie to Russell, 23 October 1877, p. 336, Ritchie Papers.
3 Ritchie to Russell, 23 October 1876, Ritchie Papers.
4 Ritchie to Paton & Grant, 12 March 1878, p. 392, Ritchie Papers.
5
6 Mercantile Gazette, 18, 23 November 1896.
7 Ritchie to Russell, 31 March 1877, p. 208, Ritchie Papers.
8 Ritchie to Russell, 12 September 1876, p. 108, Ritchie Papers.
9 Roberts to Larkworthy, 19 January 1876, Larkworthy Papers.
of the weakness of the concern, the BNZ continued to carry Turnbull for some time. In 1879 it transferred £46,000 of Turnbull’s liabilities to the NZLMACo.1

Property speculation proved irresistible to Turnbull, as to so many of his contemporaries. He had a large residence in town and another on the Peninsula. His freeholds were valued at £30,555 in 1882 and included land in the North Island and Invercargill, and valuable properties at St Kilda.2 Turnbull had a third interest in Proudfoot’s reclaimed land at Rattray Street and a half share in his land at Musselburgh.3

The separate legal interests of the two men in these sections were not properly defined. After their friendship turned to enmity in 1880, the determination of their respective entitlements caused some unpleasant incidents. Arbitrators decided that the property should be divided by the drawing of lots, a ruling which displeased Proudfoot immensely. A meeting was called to confirm the award. Proudfoot arrived in such a vile temper that "he only paced up and down the room blaspheming at everything, and the meeting had consequently to be adjourned for a few days before any business could be done."4 He brought with him, for the purposes of illustration, a tramway ticket and punching machine, and riddled the card with holes, saying that he would see Turnbull’s head in a similar condition before he would assent to the award. "In his exasperation Mr Proudfoot said all sorts of things."5 J.E. Denniston, no mild-tempered man himself, recalled that this scene put him in mind of an episode in the life of Lord Melbourne, when to save time it was agreed, instead of cursing at everything, to consider everything damned and proceed with the business. Proudfoot was not in attendance when the matter went to court to be settled. Denniston complained that Proudfoot had been subpoenaed "and, as usual, he - well, he was not there. He (Mr Denniston) would confine himself to saying that it would be a contempt of Court in anyone else."6

Proudfoot believed that Turnbull was trying to unload some of his bad purchases onto the New Zealand Mortgage & Investment Association, of which Turnbull and John Bathgate were local directors. He wrote to Sir William Drake, a member of the London board, relating his suspicions and urging him to scrutinise

---

1 NZLMACo Minutes, 9 December 1879.
2 Return of the Freeholders of New Zealand, 1882.
3 Proudfoot v Turnbull, NZLR, 1883, p. 247 (CA).
4 ODT, 28 March 1882.
5 ODT, 28 March 1882.
6 ODT, 28 March 1882.
Turnbull's transactions, lest the company be swindled. "They... are both needy men", he warned,"[o]ne of them has been doing business on paper for the past ten years."¹ As a reward for his concern, Proudfoot was obliged to pay libel damages of £100.²

Turnbull's most unfortunate land-buying venture was undoubtedly his acquisition of the Waicola estate near the Aparima River in Southland. This 4,000-acre property was purchased from Joseph Clarke for £60,000. John Davie, Daniel Campbell and Turnbull's old friend, Judge Ward, were the other partners in the venture. The falling market for land and high development costs turned the estate into an expensive liability. Matters became worse when John Davie succumbed to bankruptcy in May 1883.³ Campbell, an old and respected colonist, fled the country and he too was declared bankrupt.⁴ Burdened with a £50,000 mortgage to Clarke, the remaining partners were forced to sell off much of the land at a heavy loss. Turnbull probably lost £20,000 by this unhappy affair.⁵ The settlers on the estate also fared badly. Five were adjudged bankrupt in August 1885.⁶

Most importers were unable to make profits in the early 1880s, but Turnbull's trading results were particularly poor. His overdraft with the BNZ was rumoured to exceed £60,000 and the Bank seemed to be continuing his account only out of reluctance to face the inevitable loss.⁷ As part of the security for its advances, the Bank held bond warrants for goods held in Turnbull's warehouse. In his desperation, however, Turnbull disposed of some thousands of pounds worth of material covered by these warrants. When this was discovered, "there was a great to do".⁸ Possibly the only thing that saved Turnbull from prosecution for this act was his wife's timely receipt of £4,000 from a deceased relative. As it was, a deficiency of £8,000 still remained when the contents of the store were valued.⁹

Eventually the Bank could hold off no longer and forced Turnbull into bankruptcy in June 1884. The assignee’s initial report on his estate showed a debt of £28,000 to the NZLMACo. The BNZ was owed an unsecured debt of £13,800

¹ ODT, 18 April 1882.
² ODT, 18 April 1882.
³ Mercantile Gazette, 12 May 1883.
⁴ ODT, 28 July 1883 (supplement).
⁵ Nicholas Reid to Walter Turnbull, 16 August 1884, Reid Papers, Alexander Turnbull Library. Otago Witness, 28 July 1883 (supplement).
⁶ ODT, 13 August 1885.
⁷ Reid to Walter Turnbull, 23 April 1884, Reid Papers, Alexander Turnbull Library.
⁸ Reid to Walter Turnbull, 23 April 1884, Reid Papers, Alexander Turnbull Library.
⁹ Mercantile Gazette, 14 June 1884.
and held £20,000 of discounted bills. On an optimistic estimate of the value of the assets, a deficit of £12,351 was predicted.\(^1\) Two months later, when Turnbull applied for his discharge, the deficit had leapt up to £35,000 and the debt to the BNZ stood at £25,800.\(^2\) Although irregularities were still apparent in the bond warrants, the judge found no evidence of fraud. The BNZ was later sued by the Franco Egyptian Bank, which had purchased one of Turnbull’s dishonoured bills. The consignment of sugar that was to form the security for the bill had disappeared before the liability matured and the BNZ, as warrant holder, was obliged to make good the loss because it had allowed Turnbull to hold the goods in his own bond and make away with them.\(^3\)

The Official Assignee reported that Turnbull had been insolvent for several years and was remiss in not admitting this to his creditors. During the year before his bankruptcy, Turnbull had drawn £2,400 out of his business and had spent a considerable sum on improving his house.\(^4\) In granting Turnbull his discharge, the judge adverted to his land speculations at some length. Most of these had been entered into around 1875. Turnbull paid only deposits for the properties and hoped soon to resell them without further outlay. "No doubt", said the judge, "the failure of the City of Glasgow Bank upset his calculations" - as it did those "of a great many other people."\(^5\) The City of Glasgow disaster was such an unforeseeable event that he did not think Turnbull had acted unjustifiably in making such investments.\(^6\)

Turnbull shrank from public life in the 1880s. After his bankruptcy he attempted to begin again in business, and E.B. Cargill and George Gray Russell kindly purchased £5,500 of his former assets to let him make a fresh start.\(^7\) His chances of prospering, however, were slim, for by then there was "little or no profit to be made in importing."\(^8\) Nicholas Reid, of W. & G. Turnbull in Wellington, visited him at the time of his bankruptcy and found him wearied by his ordeal: "He is much stouter and seems careworn, and no wonder as he must have been dreadfully worried during the last five years, however the end has at last come."\(^9\)

---

1. Mercantile Gazette, 14 June 1884.
2. ODT, 23 August 1884.
3. ODT, 25 March 1886.
4. Insolvency File 43, Dunedin High Court.
5. ODT, 23 August 1884.
6. ODT, 23 August 1884.
7. ODT, 24 June 1884.
8. Nicholas Reid to Walter Turnbull, 16 August 1884, Reid Papers, Alexander Turnbull Library.
9. Nicholas Reid to Walter Turnbull, 27 May 1884, Reid Papers, Alexander Turnbull Library.
David Proudfoot

David Proudfoot obtained most of the financial backing for his contracts from the NZLMACo and the BNZ. From 1879 his account at the BNZ was closely watched, although at that time no loss was expected. After the Western Railway was finished, he sought more grist for his mill, offering to build the Otago Central line in 1881 and winning a £500,000 contract for a railway from Uralla to Glen Innes in New South Wales. The Proudfoot brothers returned to Australia, shipping over their plant and labour force. According to Thomas Bracken, one thousand New Zealand workmen were employed by the Proudfoots on the New South Wales contract.

The partnership with James Mackay was dissolved after Proudfoot left the country. Mackay received £10,000 as his share of the assets. He believed himself entitled to more and applied for an injunction to restrain George Proudfoot and George Fenwick from dealing with £19,000 held to the credit of the partners in New Zealand. Proper accounts had not been kept and Mackay feared that Proudfoot was speculating with their joint property and might use the money to reduce his private liabilities to the BNZ. The application failed because George Proudfoot and Fenwick were not proved to have control of the money. Mackay became bankrupt three years later and was found guilty of attempting to defraud his creditors.

There were signs that David Proudfoot was under financial strain in 1880 when he failed to complete the Kuriwao purchase after paying a deposit of £5,000. An additional £29,000 was required from the Loan Company to complete his remaining New Zealand contracts. In 1881 his debt to the BNZ was £27,000, which seemed to be well covered. The Bank, however, was becoming anxious.

---

1 Murray to General Manager, 4 December 1879, BNZ Archives.
2 ODT, 19 July 1881. AIBR, February 1881, p. 76.
3 ODT, 24 December 1881.
4 ODT, 5 March 1881.
5 ODT, 24 March 1881.
6 ODT, 5 April 1884, 2 May 1884, 26 August 1884.
7 NZLMACo Minutes, 26 February 1880.
8 NZLMACo Minutes, 30 January 1880.
9 Murray to General Manager, 8 March 1881, BNZ Archives. His assets comprised a disputed claim against the Government, which was admitted to the extent of £14,000, the Dunedin Tramways, valued by Proudfoot at £40,000 ("... and probably good value for £30,000") and town and suburban lands worth
about his position and forced him to sell the Dunedin Tramways to a company in 1887.

The floating of the company may have afforded little real relief as the BNZ Estates Company held over 72% of its shares in 1898. In 1889 the capital of the Dunedin City & Suburban Tramways Company was written down by 15% to £85,000.

Two years later Proudfoot was placed in bankruptcy on the petition of the Walton Park Brick and Tile Company, whose calls on his shares had not been paid. Details of Proudfoot's bankruptcy are sketchy, but it is likely that it was soon annulled. His New South Wales contract is said to have resulted in a heavy loss, and the delay in its completion probably damaged the liquidity of his business. At the time of his insolvency he had issued a writ against the BNZ for £300,000, but the nature and outcome of the action are unclear. A debt of £5,000 was recorded against his name in the BNZ's consolidated property account in 1889. When he died intestate under the surgeon's knife in 1891, he was thought to have worked himself into a stronger position.

George Proudfoot lived in Sydney for many years and tendered for a contract offered by the Otago Dock Trust in 1905. Proudfoot was never fully accepted into respectable society, but the size and variety of his interests - not to mention his seemingly inexhaustible capital - had made him impossible to ignore. He captured the spirit of the Vogel construction boom, but his career in Otago scarcely outlasted that vibrant period.

£20,000 ("... and Mr Ferrier is sure there is a good deal more"). Proudfoot's land was valued at £93,000 in the Return of the Freeholders of New Zealand, 1882.

1 ODT, 8 November 1882. The Company was reported to have been sold for £65,000, with Proudfoot accepting a possible liability of £35,000 of debentures at 7%.

2 ODT, 21 April, 9 June 1885. Bankruptcy File 125, 1885, Dunedin High Court.

3 Company File 167, Hocken Library.

4 Company File 167, Hocken Library.

5 Otago Witness, 26 March 1891, p. 16. Proudfoot had problems with striking workers and discharged all his men in 1884. ODT, 23 April 1884.

6 ODT, 13 February 1885.

7 Consolidated Property Account 1889, BNZ Archives.

8 Otago Witness, 26 March 1891, p. 16.

W.J.M. Larnach

From a purely commercial angle, the BNZ's association with its large Dunedin clients was not a success. In Larnach's case the Bank had always understood that it was accepting a considerable risk. After April 1875, when he had quarrelled with Bartleman and been ordered out of the bank parlour, Guthrie ceased to be on speaking terms with the manager of the National. It was then obvious that he and Larnach could no longer remain with the National. The difficulty lay in finding another to take up their account. Only the BNZ seemed remotely interested and Murdoch politely declined their enquiry, which left Larnach "very put about". For a while there was a stalemate. The National could not afford to wind up Guthrie & Lamach for "it would play the d____l with their connection." But in December 1875 Ritchie noticed Coster and Larnach in close conversation and surmised, correctly, that a transfer would be arranged.

At this time, Guthrie & Larnach was reliant on the National Bank, directly and indirectly, to the extent of £80,000. Roberts of the BNZ put the value of the firm at £50,000, although the partners asserted it was worth £20,000 more and Larnach claimed he was worth £30,000 in addition to his share of the woodware business. Coster cautioned that the account would "require firm holding or it will end in a mess" and Thomas Russell feared it might easily reach £150,000. Murdoch also had reservations. Many of the partnership's bills were drawn on men and firms dependent upon Guthrie & Larnach.

At the moment I believe it [the account] to be a safe one but there are elements of danger in it. Larnach is highly speculative and most difficult to control - the ramifications of the business are very large with dealings with builders and timber merchants who are

1 Ritchie to Russell, 3 May 1875, p. 243, Ritchie Papers.
2 W.C. Roberts to Larkworthy, 17 February 1875, Larkworthy Papers.
3 W.C. Roberts to Larkworthy, 17 February 1875, Larkworthy Papers.
4 Ritchie to Russell, 22 December 1874, p. 192, Ritchie Papers.
5 Guthrie & Larnach took over the firm of Guthrie & Asher, which had been preceded by the timber company of Walter Bell & Co. Bell was made bankrupt in 1876. Mercantile Gazette, 4 November 1876. Guthrie toured America to buy specialised machinery for the firm's factories. ODT, 4 April 1879.
6 Roberts to Larkworthy, 5 June 1875; Murdoch to Larkworthy 27 June 1875, Larkworthy Papers.
8 Murdoch to Larkworthy, 9 July 1875, Larkworthy Papers.
notably about the most unreliable class. (They are all doing well now with emigration.)

Murdoch was nevertheless tempted by "the many collateral benefits of the connection..." Larnach's great influence in so many Otago businesses, including the Colonial Bank, made him a valuable ally for the BNZ. Moreover, the delicacy of his financial position meant that the Bank could have a powerful say in his affairs. This must have been patent to all those who knew what lay behind Larnach's removal from the National. Murdoch stipulated that the firm's debt must not exceed £50,000 and demanded a progressive reduction in its liabilities by £20,000 and security of £25,000. Larnach had his station investments to cover as well and went to Melbourne to raise £20,000 from Clarke.

Over the next few years Larnach's capital was increasingly absorbed by the woodware factory. The partnership with Guthrie was formed around the time Larnach resigned from the National Bank in 1873 and the two men may well have become acquainted as manager and client. In a short time they expanded the business into what was, by colonial standards, a very large operation. At its peak, Guthrie & Larnach had branches in Christchurch, Wellington and Invercargill and owned a fleet of coasting vessels, a number of sawmills and a kauri forest (which was purchased in 1877 for £23,000). Larnach told the Caversham electors that his firm employed five hundred more men than any other firm in the colony. The Dunedin premises stood before the public as a magnificent symbol of the partners' swaggering optimism. "They have a really splendid place", wrote Ritchie, "nothing like it, I believe, south of the line." When this structure was destroyed by fire in August 1874, throwing two hundred men out of work, Larnach built again in even grander style. The new factory was said to have cost £10,000. Four hundred guests attended a banquet held there in 1878 in honour of the Governor.

---

1 Murdoch to Larkworthy, 29 October 1874, Larkworthy Papers.
2 D.L. Murdoch to Larkworthy, 9 July 1875, p. 9, Larkworthy Papers.
3 Murdoch to Larkworthy, 9 July 1875, Larkworthy Papers.
4 Murdoch to Larkworthy, 9 June 1875, Larkworthy Papers.
5 Larnach to Adam Burnes, 26 September 1873, Larnach Papers.
6 ODT, 5 October 1877.
7 ODT, 18 August 1875.
8 Ritchie to John Hunter, 3 February 1874, p. 231, Ritchie Papers.
9 Otago Guardian, 22 August 1874. For descriptions of the factory, see Morning Herald, 20 May 1879.
This fine façade, however, could not hide the vulnerability of the firm’s finances. Ritchie thought it "quite clear they are going far too wide" and found that "a great many people shrug their shoulders about the way G[uthrie] and L[arnach] are spreading out."1 As early as 1876 he was predicting the demise of the business, "[b]ut of course this is not the general opinion."2 Larnach himself was already showing signs of wanting to quit the timber trade.3

It did not take long for relations between Guthrie and Larnach to sour. After several rows, Larnach peremptorily declared that the partnership would be dissolved, but was persuaded to form the business into a public company in 1877.4 The shares were not popular and Larnach had to take 13,000 five pound shares himself. Ritchie viewed their predicament with an unusually compassionate eye: "Poor beggars, they must have a queer life of it."5

The condition of his Southland investments must have worried Larnach, yet he probably left for England in February 1878 in a confident mood. Guthrie & Larnach was performing satisfactorily and the value of his other real estate was being pushed rapidly upwards by a buoyant market. This optimism led him into some unfortunate decisions. On the eve of his departure he joined McGregor, Fraser, Howden and W.C. Roberts in the purchase of Hakataramea Downs station. Larnach’s account of how he came to be involved in this speculation, although coloured by his desire to evade liability and by the passage of time, nonetheless reveals a remarkable attitude on the part of the BNZ and Loan Company.

According to Larnach, Roberts sought him out on several occasions as he was preparing for his trip and pressed him to join the other partners. Larnach said that he was reluctant to draw money from his firm for such a purpose, to which Roberts allegedly replied:

You make a mistake in supposing that I want any money from you. The fact is the Bank & the Loan Compy are so full of, & glutted with money that we must do something in this way to get it out, & if you will only give us your name with the rest in this venture you will be doing the Bank a Service by helping to use its unemployed money profitably; & you will never have to put your hands in your pockets for a shilling to carry the concern on, as it is

1 Ritchie to Russell, 12 January 1875, p. 201, Ritchie Papers.
2 Ritchie to Russell, 21 August 1876, p. 97, Ritchie Papers.
3 Ritchie to Russell, 21 August 1876, p. 97, Ritchie Papers.
bound to pay handsomely and leave a good margin of profit if sold at any time.¹

Larnach could not resist such an offer: "Things looked so rosy that prosperity could not lag behind, but was as certain as night is to follow day, to be up at the end."² From his explanation of the event, it is hard to see why his involvement was necessary in the first place if he was not to be fully liable as a partner. How much he contributed, or rather what liability to the BNZ he accepted, is unclear. In November 1879 the Bank wanted £1,100 from him to cover part of the purchase price, but when the property was later transferred to the Loan Company £3,000 was demanded from each of the parties.³ The incident added to the bad feeling between Larnach and the BNZ in later years.

Larnach was both extremely unfortunate and not a little foolish in his dealings over the woodware business. In his haste to be out of the colony he signed a document in which he gave his personal guarantee for the Company’s debts. As the City of Glasgow failure began to affect colonial finances, the BNZ grew alarmed at the amount of capital the woodware company was absorbing. John Murray, the Bank’s inspector wrote to Larnach informing him that the factory was leaning on the BNZ to "an unendurable extent" and asking him to assist in the floating of £100,000 debentures.⁴ He assured Larnach that if capital could be injected into the concern it was bound to prosper. There was, he said, no better business in New Zealand and it was "a moral certainty" that its shares would double in value if the loan was raised and the remaining shares sold.⁵

In the following year there were strong signs that the company was drifting into serious trouble. There was little hope of floating the debentures.⁶ The timber trade stagnated and by the end of 1880 Guthrie & Larnach shares were unsaleable in London and had slumped to 10s in New Zealand.⁷ Larnach wrote to W.C.

¹ Larnach to Kenyon and Hosking, 1 November 1890, p. 62, Larnach Papers. In 1880, Guthrie published a denial that he had left the Company because he had fallen out with the other directors. ODT, 30 January 1880.
² ODT, 30 January 1880.
⁴ Murray to Larnach, 15 November 1878, in "Report of Meetings of Shareholders in the Guthrie & Larnach Company".
⁵ W.C. Roberts to Larkworthy, 25 April 1879, Larkworthy Papers.
⁶ NZLMACo Minutes, 4 September 1879.
Roberts in October repudiating the personal guarantee.¹ He claimed not to have read the document thoroughly and thought it applied only to the debts of the old Guthrie & Larnach firm. Guthrie's policy of expanding through new branches also disturbed him. Three times he wrote to the Bank warning that it was giving Guthrie too much latitude and that he, Larnach, would not be responsible for the consequences.² Guthrie disputed the extent to which Larnach wanted to retrench and said that he had to discourage his partner from establishing the firm in California.³

Larnach must have been apprehensive about what he would face on his return to New Zealand. He still managed a jocular remark in his correspondence with W.C. Roberts:

> I suppose you have several new screw presses now erected in different parts of the Bank premises, and doubtless you are carefully reserving room in one of them for me. I am glad that I had nothing to do with McGregor’s last big purchase.⁴

Back in the colony, it proved difficult to keep up a brave face. Roberts, like many others, was unimpressed by the announcement that Larnach had been awarded the C.M.G. "In the name of fate", he wondered to Larkworthy,

> why is Larnach a C.M.G. That’s the question here - has he done anything to deserve it? If we heard of his being called to the "Lords" or appointed Governor of Central Africa it would not have been received with greater surprise.⁵

Larnach’s colleagues found him subdued and depressed and he was rarely seen around town.⁶ He told Ritchie he wished he could be out of the country. Mrs Larnach, who had also seemed unhappy since her arrival, died in November 1880, leaving the way open for Larnach to marry her half-sister, Mary Alleyne.⁷

¹ Larnach to W.C. Roberts, 23 October 1879, Larnach Papers.
⁴ Larnach to W.C. Roberts, 23 October 1879, Larnach Papers.
⁵ Roberts to Larkworthy, 4 June 1879, Larkworthy Papers.
⁶ Roberts to William Murray, 12 January 1881, 625/34, Roberts Papers. Ritchie told Galbraith: "L[arnach] is very low just now. Tells me he wishes he were out of the country!" Ritchie to Galbraith, 2 June 1880, p. 160, Ritchie Papers.
⁷ Ritchie to Galbraith, 18 November 1880, p. 296, Ritchie Papers.
He had known her since the age of eight and she had kept company with him even before the death of Eliza.\(^1\) Anticipating the financial troubles ahead, Larnach settled upon his second wife many of his shares and all of his estates on the Peninsula.\(^2\) This was a prudent move, for the BNZ was soon pressuring him to sell his Wellington sections at a loss of £4,000.\(^3\)

All his major investments were in a poor state. He confessed, "I have been so dreadfully slaughtered in money matters that I cannot afford to be liberal."\(^4\) Yet traces of his constitutional boldness remained: "I have my hands pretty full of troubles just now, but my head is cool and my heart will not fail me."\(^5\) In a reckless bid to recover the situation he threw much of his remaining cash into indiscriminate share speculations. "[It] looks a little like neck or nothing", thought Ritchie, "...where he gets his income from I don't know - The big factory business is done for..."\(^6\)

Guthrie & Larnach was indeed in a desperate plight. The 1882 balance sheet disclosed a heavy loss of capital, which the directors ascribed to the destruction of an important mill by fire, the necessity of closing two major branches and the dulness of trade.\(^7\) The BNZ took a more pessimistic view of this result than the directors. Finding that its securities no longer covered the company's debts, it became nervous about the whole affair. Guthrie was advised to seek a voluntary liquidation or the Bank would foreclose on its mortgages.\(^8\)

John Murray was sent to Dunedin to perform what promised to be a most awkward task. Larnach and Guthrie were popular men and their representations that the BNZ had capriciously changed its position on the Company's future seem to have been widely accepted. Some said the Bank had acted very cruelly towards Guthrie and made a broken man of him.\(^9\)

---

1. Ritchie to Russell, 4 August 1871, p. 141, Ritchie Papers.
2. This property is described in Hardwicke Knight, *The Ordeal of William Larnach*, Dunedin, 1981, p. 69. The land was valued at £16,653 in the *Return of the Freeholders of New Zealand, 1882*.
3. Larnach to Gibson Ferrier, 15 May 1882, Larnach Papers. Larnach paid £11,000 for the land.
4. Larnach to R.M. Robertson, 15 July 1881, Larnach Papers.
5. Larnach to J. Clarke, 14 July 1882, Larnach Papers.
7. The *Auckland Herald* published an indictment of the balance sheet. See Appendix 58, Volume Two.
Shareholders eventually agreed that Larnach and two nominees of the Bank should perform the liquidation, sharing a fee of £1,500.

Trouble also loomed over Larnach's private debt to the BNZ. The size of this is difficult to establish. Possibly the main liability was on account of his personal guarantee for the Guthrie & Larnach overdraft. The bulk of his other obligations were to the Loan Company, but where his investment in the New Zealand Agricultural Company stood in the Bank's reckoning is unclear.

---

1. The land that passed from Larnach to the BNZ Estates Company in 1890 is described in Deed 95/632.
2. This may have been considered separately because it was guaranteed by Joseph Clarke.
In 1883 it was decided that the BNZ would take over and work the woodware business, cancelling all its claims on Guthrie & Larnach and returning 5s per share to its proprietors. The failure of the Company was a heavy blow to Larnach. He had been humiliated in the public eye and crippled financially. It was well known that he had lost at least £60,000 by Guthrie & Larnach, yet since its reconstruction in 1877 he had played no active part in its management and had never attended a meeting of its directors.

Guthrie, whom Larnach was inclined to blame for the disaster, was hardly better off. In 1884 he was sued by the Bank of Australasia for £4,100 on a guarantee given by another timber firm, Gibbs Asher & Co. Guthrie was said to be the owner or the principal owner of this business, the other members (his brother Robert and Abraham Gibbs) having become bankrupt before the case was heard. He allegedly told the Bank of Australasia that the firm was his: he had paid £10,000 into it and would have conducted it in his own name, only the BNZ already had his personal guarantee for Guthrie & Larnach. The evidence seemed to support the contention of the Bank of Australasia that Guthrie had tried to insure himself against the collapse of the Woodware Company, but the jury decided otherwise. James Smith, counsel for the plaintiff, saw the case as illustrating the difficulty of procuring a verdict in favour of a bank - a difficulty that Larnach had also skilfully exploited.

Guthrie continued in the woodware trade. By 1890 he had established the New Zealand Pine Company, the Gore Timber Company and Walter Guthrie & Co. Four more companies were created over the next few years. The principal proprietors were Guthrie, Sir Robert Stout, George Mondy and, to a lesser degree,
Part Five, Chapter Four

W.A. Sim. Many of the shares were also held by the various corporations they had created and the whole elaborate structure was financed by the BNZ. Ostensibly, the purpose of these subsidiaries was to develop the business of the Pine Company. But there appeared to have been another purpose: to create a misleading impression about the amount of capital involved and,

by mutually trading backwards and forwards with each other to [present] on paper a volume of business which, when shown to the bank authorities, induced these worthy but apparently somewhat innocent gentlemen to make large advances to the hen herself, and even to the various chickens.¹

The BNZ lost £57,000 by these timber companies and finally put them into liquidation in 1897. Numerous discrepancies in their balance sheets were discovered. Furniture that had been used in Guthrie's own house had even been put back into the stock sheets at full value.²

Few people realised how close Larnach came to bankruptcy in 1881-82 or the shakiness of his finances in the years that followed. Outwardly, he seemed, as before, conceited and self-assured. "I am not one of those who care to hoard money up", he told a gathering in 1888:

I may perhaps by some people be considered extravagant... I am not one of those who believe in running into debt beyond what you can pay, but I think that so long as an individual is able to pay his debts he is the better benefactor to the community and to mankind for spending his money in the country rather than hoarding it up.³

Had he been present, John Murray of the BNZ would surely have appreciated the irony of these remarks. Larnach's confidence was nevertheless badly shaken by the misfortunes that had befallen his private and business affairs. Anxieties about money continued to prey upon his mind. He wrote to Benjamin Petersen in 1885: "I have been so dropped into in money matters... that I cannot afford the little I have left made smaller and smaller."⁴ To another correspondent he broodingly

1 Otago Workman, 20 February 1897.
2 Otago Workman, 20 February 1897. See also the Otago Workman, 31 July 1897.
3 Otago Witness, 12 October 1888, p. 15.
4 Larnach to Petersen, 21 January 1885, Larnach Papers.
noted, "I must resist being taken nearer to the edge of the ruinous cliff." He struggled to clear off outstanding liabilities to the BNZ.

Larnach was not one to dwell on past failures and eagerly set about recovering his fortunes. But the collapse of the property market and the dull state of trade presented him with few opportunities to resume speculation. His differences with Joseph Clarke deprived him of an important source of credit. Frustrated in business, he sought engagement in other directions. Larnach re-entered Parliament by winning the Peninsula election in 1882 and he held this seat until 1890. South Dunedin, not the Peninsula, came to be regarded as his stronghold. Surprisingly, Larnach became a warm favourite among "the rough diamonds" of this suburb's large working class population. His "frank and robustious egotism" and "rough and blundering modes of speech" were well received by the voters. The imprecation with which he once quietened a noisy meeting, "kennel up, you curs!", became "a classic quotation on the Flat". It was still being quoted back to him ten years later when he stood for the Tuapeka seat in 1893. His tactics were "intended to cement the union between class and class" and they worked well for him.

"Rubicund of visage and slightly horsey in attire", Larnach affected to be "a 'good fellow' of the genuine old good fellow school, the members of which used to swagger and cry 'what ho knave' and 'how now varlet?'" But while he desired to pose as "an English gentleman of yesterday", Larnach took care not to speak down to his constituents. The Daily Times wrote disgustedly, "[h]e glories in language unspeakably degrading, and appeals to the lowest motives in electoral nature".

---

1 Larnach to A. Henderson, 11 July 1885, Larnach Papers.
2 Participation in politics had afforded Larnach little satisfaction in the past, and his decision to re-enter Parliament may have been a tactical move to discourage his creditors from attempting to place him in bankruptcy or bring him to court.
3 Otago Witness, 17 November 1883, p. 20.
4 Otago Witness, 31 August 1888, p. 21.
6 Fair Play, 1 August 1894, p. 6.
7 Otago Witness, 17 November 1883, p. 20.
8 ODT, 24 September 1887.
9 ODT, 24 September 1887.
10 ODT, 24 September 1887.
11 ODT, 24 September 1887.
Contrary to expectations, Larnach was not included in the first Stout-Vogel Ministry of 1884. Macandrew’s insistence that Montgomery should receive a portfolio kept Larnach out until the following year, when he was given responsibility for the Department of Mines. His promotion was welcomed by the ODT, though it cautioned, "there is a little too much of the schoolboy about him, and when he becomes a Minister we trust he will give up playing pranks in the small hours of the morning." Larnach was apparently given to practical joking while in Wellington. He also possessed a juvenile urge to parade his manliness. During his first term of office he appeared at a fancy dress ball in the garb of a drover. He wore a twenty-foot stock whip wrapped around his body and reputedly almost lost his ear while attempting to demonstrate its use.

Larnach’s zealous execution of his ministerial duties was perhaps his finest contribution in politics. He edited a comprehensive survey of the country’s mines and made a personal inspection of mineral resources in the various provinces. His travels through often rugged and remote territory were punctuated by acts of bravado and feats of horsemanship. He was an athletic rider who could spend twelve hours in the saddle without food. Possibly he found in these journeys an escape from the tribulations of his business affairs. One of his companions revealed that he danced, sang and drank whisky with some of the miners he visited; a reversion, it would seem, to the manners acquired in his gold-digging youth.

Notwithstanding these achievements, the ODT opposed his candidature in 1887. It accused him of shameful laxity in his administration of public money and thought that he had conducted himself during the election in such a way as "to lose all claim to private or public respect." Larnach’s reply to the paper’s criticism was refused publication. He was told: "we cannot permit our pages to be made a rubbish heap for ministerial discourtesy." The Otago Workman, however, gave him staunch support and he gained enough votes from the South Dunedin booths.

---

1 ODT, 24 November 1884.
2 G.L. Meredith, Adventuring in Maoriland in the Seventies, Sydney, 1935, p. 78. There was a touch of ostentation in the form of a hundred-guinea breastpin in his neck cloth.
3 ODT, 1 April 1881.
4 Otago Witness, 26 October 1888, p. 21. Larnach recalled his goldmining experiences before a farewell dinner in 1888. A copy of this address is contained among his papers at the Otago Early Settlers’ Museum.
5 ODT, 27 September 1887.
6 Otago Workman, 27 August 1887.
to win - a signal, thought the ODT, "that a large class of electors are favourably impressed by low language and coarse insults."1

Larnach had sought a career in another country ever since returning from England in 1881. He offered his services to the Bank of Victoria and also to Richard Goldsborough's loan and agency company, claiming to be acquainted with "some of the best people in Queensland and New South Wales."2 Eventually, in 1888, he decided to take up residence in Melbourne. Before his departure he was honoured with the usual round of complimentary dinners. At one of these he explained why he felt compelled to leave the colony:

... I looked around and I found that enterprise was stagnant. I have sufficient to live upon without doing work, but my nature is such that if I decided to live at ease I should rust very quickly. Therefore I said, "I shall go and find a field, and let loose some of my enterprise that I have yet pent up." Had Victoria not offered such an inducement I would have gone to South America.3

Larnach was attracted back to Australia by the soaring prices of securities and of urban land in Melbourne. Unfortunately, he arrived too late to make much gain. Prices reached their zenith in December and began to slide back. Larnach joined an investment company called the Royal Standard. He believed his fellow directors to be honest, but found himself drawn into "land swindles".4 The cost of extricating himself from this affair was high, both materially and mentally. A business partnership with Montagu Pym also terminated unsatisfactorily and amid some ill-feeling.

Larnach came back to Otago in April 1889. Reflecting on this unhappy episode a few months later, he told Pym he would not have been alive then if he had stayed in Melbourne any longer. He had almost come to his wit's end. "Had I been a coward", he confessed, "I would have committed suicide."5 Larnach endured the parliamentary session, but made no secret of his unhappiness to Pym: "I shall be heartily glad to get away from N[ew] Z[ealand] for good."6 Although he disliked "the summer heat and stinks about Melbourne and also the demoralised

---

1 ODT, 27 September 1887. See also ODT, 21 and 24 September 1887.
2 Larnach to Richard Goldsborough, 6 December 1881, Larnach Papers.
3 Otago Witness, 31 August 1888, p. 21.
4 Larnach to Pym, 9 October 1889, Larnach Papers.
5 Larnach to Pym, 9 October 1889, Larnach Papers.
6 Larnach to Pym, 14 July 1889, Larnach Papers.
style of much of the business that is done," he maintained that he had no desire "to anchor here while I have lots of work and energy left in me and which I hope will take years to work out."¹

Larnach's enthusiasm for new business challenges had certainly not deserted him. He acquired shares in a number of companies, mainly mining and timber ventures, and proposed buying the New Zealand Times with George Fisher.² Larnach had already considered investing in large estates in the North Island when Robert Campbell suggested they buy his brother's interest in Oroua Downs for £125-130,000. Larnach was sure the subdivision of the estate would yield £80-100,000 profit and he sought to involve Joseph Clarke and Patrick McCaughan. Campbell's death, however, put paid to the plan.³

One of Larnach's last big speculations was the purchase of 1,800 shares in the Colonial Bank, his original holding having been sold when he went to Australia.⁴ Although there was good reason to hope that the Colonial would avoid the disastrous losses of some of its rivals, his confidence in the Bank was tragically misplaced. This final gamble must have brought Larnach to the limit of his resources. At the end of the 1880s, share dividends appear to have been his main income, though these were not always adequate. The failure of a New South Wales mining company in 1890 exposed him to a call that he was unable to meet and he petitioned Patrick McCaughan for help:

The amount [£253] is not a very large one unless to a person hard up, & no one knows better than you do what it is to be hard up... it goes much against my grain to ask you or anyone to do this favor for me.⁵

By the time of his death in 1898, Larnach's assets were apparently meagre. His administrator was unsure if all claims could be met and swore that the intestate estate was under the value of £5,000.⁶ The winding up of Larnach's

¹ Larnach to Pym, 31 October 1889, Larnach Papers.
² Larnach to Fisher, 30 December 1889, Larnach Papers.
³ Larnach to Pym, 13, 18, 22 August, 31 October 1889, Larnach Papers.
⁵ Larnach to McCaughan, 31 December 1890, Larnach Papers.
⁶ Probate File A-848, Dunedin High Court.
affairs resulted in a surprising improvement: in 1901, death duty was paid on the sum of £18,496.¹

**Henry Driver and the MacLean Brothers**

After his bankruptcy in 1871 and his deliverance from near-catastrophe by the Agricultural Company, it might have been expected that Driver would plan his future investments with more care. No such change in attitude can be discerned in his subsequent career. When he purchased the Clarendon estate from Joseph Clarke, Driver raised two mortgages, the first to the Otago & Southland Investment Company for £25,000 and the second to Reynolds and Larnach for £13,000.² At the same time, he still owed money to the NZLMACo on joint account with Larnach. This debt was not repaid until 1885 and only after persistent applications from the Loan Company.³ The Loan Company also held a mortgage over the Seadown estate in which Driver was a partner. Seadown appears in a report on the Loan Company's unproductive capital in 1890. At that stage the debt was £46,987.⁴

Driver began lime-burning at Clarendon and established a soap and candle factory at Burnside in the early 1880s. He paid very little attention to his parliamentary duties, for which he was roundly criticised by the *ODT* on several occasions.⁵ In 1885 he became managing director of the Mutual Agency Company for a salary of £800.⁶ This co-operative venture was an attempt to undercut the existing stock and station merchants in the provision of supplies and commission services. Its proprietors were numerous. Most were farmers on a modest scale and a few had been political antagonists of Driver in the days of the Provincial Council.

¹ AAEC 638/98, National Archives. It is difficult to account for the disparity. Part of the explanation may lie in the outcome of litigation over the trust that Larnach had created in 1882. Douglas Larnach's interest in the trust property reverted to the estate when he failed to overturn a deed assigning his interest to his father. *NZLR*, 1899, Vol. 18, pp. 385-394.
² Deeds 77/725, 75/935. It is likely that Reynolds was the main contributor of funds in the second mortgage. The price of Clarendon was reported to be £20,000. *ODT*, 24 June 1881.
³ NZLMACo Minutes, 11 March 1885.
⁴ NZLMACo "Special Report on Unproductive Capital". Driver's partners, Fleming & Hedley, paid £115,000 for the 9,235-acre estate (carrying 12,000 sheep, 800 cattle and twenty horses) in 1877. *ODT*, 20 October 1877.
⁵ *ODT*, 27 July 1881.
⁶ The Company changed its name from "The Colonial Co-Operative Agricultural & Agency Company".
In 1886 Driver became the centre of controversy when Vogel made him a branch manager of the beleaguered Government Insurance Board. The salary of £800 was much more than had previously been received for the position and, to generate the commissions that had also been promised to Driver, the business of the Dunedin branch would have had to increase fourfold. Policy holders around the country organised meetings and clamoured for this extravagant act of favouritism to be rescinded. "It is certainly a most scandalous job", agreed the Evening Press:

...there can be no doubt that [the appointment] has been made for the sole purpose of providing a political and financial crony of two of the ministers with a lucrative sinecure at the cost of the policy-holders of the Association.

The ODT, on the other hand, defended Driver from suggestions that Vogel had attempted to buy his support at the next election. Vogel’s motivation, as the Daily Times hinted, was probably more charitable than political. As it happened, Driver was in straitened circumstances and dangerously ill. His soap and candle works had flourished for a time until the price of candles dropped by two thirds over nine months. The factory had to be sold at a loss in 1887 or 1888 to cover his debts. Furthermore, after little more than a year’s existence, the Mutual Agency Company, in which Driver held a twelfth of the capital, was rumoured to be on the point of collapse. In the midst of these trials, Driver discovered cancers on his tongue. He withheld this news from his family until it was necessary to undergo what must have been an awful operation. Even then, there was doubt as to whether some malignant fibres remained. "I hope not", pitied Larnach, "it is a damnable thing."

By 1888 some shareholders in the Mutual Agency Company thought they would be lucky if the concern was wound up with a loss of 10s per share. A committee was appointed to arrange a sale of the Company’s assets, and its report

1 Evening Press, 2 February 1886.
2 Evening Press, 12 January 1886.
3 ODT, 22 January 1886. The ODT explained that "...since the return of Sir Julius Vogel to the colony, Mr Driver has been consistently opposed to him both publicly and privately, and we have good reason to know that Sir Julius was very sore at what he considered the defection of his old friend."
4 ODT, 3 December 1888.
6 Larnach to George Tyssen, 12 September 1886, Larnach Papers.
7 ODT, 3 December 1888.
was presented at a meeting in December. Driver had anticipated that he would be criticised by the committee and circulated a pamphlet attacking two of his fellow directors who had prepared the report. The meeting was a heated affair and Driver imbued it with a feeling of pathos. Although surgery had severely impaired his speech, making him scarcely comprehensible to an audience, he made a long and passionate address. He reminded the gathering that he had "earned and spent fortunes among them"; he had suffered reverses in business "but had never cried about his misfortunes, or asked alms of anyone"; he had been smitten by illness, had felt himself "dying inch by inch" and risen "from what was almost a bed of death"; his dealings with the Mutual Agency Company were always business-like and honourable and that very morning he had paid back all he owed it.¹

A.C. Begg, a man not easily moved to pity, offered a different account of Driver's connection with the Mutual Agency Company. As managing director, Driver exercised control over the Company's funds independently of the full board, which met only occasionally. In this capacity he advanced to himself, on inadequate securities, a total of £5,300, or nearly the whole of the paid up capital. "What company could stand against that?" asked Begg. "What means were left for carrying on the legitimate business of the Company?"² These loans had been made without the knowledge or sanction of the other directors. Moreover, Driver's liability on his shares had remained unpaid for two years and he had the audacity to put in a private bid for the best of the Company's business.³

The later history of the Mutual Agency Company was one of continued losses and in-fighting.⁴ Two factions emerged among the directors. Begg, Bartleman and A. Lee Smith wished to see the rival Farmers' Agency Company, in which they also had an interest, paid £1,000 to assume the liabilities of the Mutual Agency Company.⁵ This was successfully opposed by Robert Wilson and Driver, with the result that a heavy call had to be levied to continue the Mutual Agency Company,

¹ ODT, 3 December 1888.
² ODT, 3 December 1888.
³ ODT, 3 December 1888.
⁴ ODT, 3 December 1888; 10, 11, 12, 13, 15 January 1889.
as all its paid up capital was lost or locked up. After the reconstruction of its capital, the Company began paying dividends in the 1890s and was absorbed by Dalgety & Co in 1896. Driver was discreetly quiet during the angry exchanges between Begg and Wilson.

but while his business habits had not changed, by this time much of his youthful vigour was leaving him. As honorary starter at the Forbury Race Track, he so bungled the start of the Dunedin Cup in 1888 that there was almost a riot among the spectators. He retired from the Government Insurance Board in 1887 to concentrate on his private affairs. When he died in 1893, ships in the harbour lowered their flags to half mast in recognition of one of the town’s most controversial citizens. Driver’s solvency may have been doubtful at the end of his life. The Otago & Southland Investment Company did not liquidate its claims on his estate until 1900-02, when it began exercising its power of sale over his Taieri lands and the property at Maori Hill.

Driver’s old partners, the MacLean brothers and Charles Stewart, also fell on hard times in the 1880s. John MacLean died in 1880 and Ritchie heard that his affairs would not turn out well. Hugh MacLean was in difficulties by 1882. He was thought to possess a large margin, but needed Stewart’s assistance with a debt to the NZLMACo of £13,400. Stewart probably had much of his capital locked up in a two thirds interest in Kyeburn and a share in the Puerua run. Their stock and station business continued to languish and the partnership was placed in bankruptcy in 1884. Although both men were implicated in the failure, only

---

1 Otago Witness, 11 January 1889.
2 When the sale of the company was blocked, Begg, Lee and Bartleman resigned. They called up advances they had arranged and tried to pressure the National Bank into winding up the concern.
3
5 ODT, 31 January 1893.
6 Deeds 111/707, 116/375, 116/426, 121/94. CT 98/128. No death duty was paid on Driver’s estate. AAEC 638/97, National Archives.
7 Driver’s affection for his friends is shown in the names bestowed upon his sons, Harry MacLean Driver and Reynolds Driver.
8 ODT, 3 January 1880. Ritchie to Russell, 22 June 1880, Ritchie Papers.
9 NZLMACo Minutes, 10 May 1882.
10 Mercantile Gazette, 15 April, 16 September 1882. As manager of the Loan Company, Driver had provided the advance which let Scobie McKenzie, F.D. Rich and Charles Stewart buy Kyeburn.
MacLean seems to have been formally declared bankrupt. His creditors were sympathetic and voted him some remuneration for his help in liquidating the estate, even though it had not paid in full. Gibson Ferrier, representing the BNZ, was furious at the "moral sentiment" shown the debtor and considered this lenience "a disgrace to the commercial community". MacLean found a position with the Mutual Agency Company through Henry Driver, but died in 1885. Five years later, Stewart was found drowned in one of the filthy ponds near the Dunedin docks.

E.B. Cargill

The end of E.B. Cargill's third decade in the colony saw him almost on the edge of ruin. His casual approach to financial matters made this a foreseeable outcome. Friends and clients had long been critical of his "slovenly way" in business, but the suddenness and completeness of his demise startled even those who knew him well.

Cargill's troubles began with the aftermath of the City of Glasgow Bank failure. The slump in property values made his investments in land an onerous liability. Henley estate, his largest venture, had to be disposed of at a considerable loss. Much of Cargill's other land on the Taieri was sold to Ritchie and John Roberts in 1887 or transferred to the British & New Zealand Company. His town properties were encumbered by mortgages. "E.B. I am sorry to say is not over happy I think", wrote Ritchie. "He has got himself involved a great deal with property and I wd not like to be in his shoes." Cargill continued to sink money into pastoral speculations despite this sobering lesson. In the mid-1880s he joined Joachim, and Richard and Henry Gibbs in several runs in the Lake District and was probably a partner with Allan Carmichael in a station at Wairaki. He also

---

1 Insolvency Files 1316 and 1317.
2 Mercantile Gazette, 15 March 1884.
3 Otago Witness, 10 October 1885, p. 17. Probate File 1315, Dunedin High Court. His estate was valued at £234.
4 ODT, 17 July 1889.
5 Ritchie to Russell, 23 September 1871, p. 148, Ritchie Papers.
6 Thomas Roberts to John Roberts, 15 January 1880, 625/11, Roberts Papers.
7 CT 58/138, 28/151, 29/144, 29/146, 11/162, 14/204.
8 Deeds 65/897, 85/285. CT 43/166.
9 Ritchie to Galbraith, 4 November 1879, p. 3, Ritchie Papers.
appears on sheep returns as the licensee of run 451, north of the Mavora Lakes, but this may have been in the capacity of trustee for the British & New Zealand Company, which held a mortgage from its previous owner, William Hodge.

Much of Cargill’s other capital had been placed in shares. When he most needed to realise upon these investments, most of the stocks were unsaleable or trading at low prices. Two companies in which he seems to have had a large stake, the Equitable Insurance Company and the Walton Park Coal Company, were driven into liquidation by heavy losses. Cargill and Joachim appeared likely to suffer by another enterprise they had helped found, the Otago Whaling Company, until a fortuitous find of ambergris worth £20,000 pushed the company into the black.1

In 1882 or 1883 Cargill’s assets might have amounted to £30,000 and Joachim’s probably to £15,000.2 By 1886, their estates had “dwindled down by foolish share & house investments & otherwise - until what is left is not very tangible.”3 Both men were then practically insolvent and the liability on their British & New Zealand Company shares threatened to force them into bankruptcy. Cargill went to England in January to make explanations at the Company’s general meeting. These were not enough to save Joachim from dismissal and Henry Gibbs came out to share the colonial management with Cargill. "Joachim intends to pick up a living as best he may," wrote Ritchie, "& no one seems to mind much how! poor devil!"4 Cargill doubtless felt a sense of relief, but his prospects were far from cheerful:

Old E.B. came back looking flourishing, but when you come to talk to him - he is pretty down on his luck. I don’t see how he is to meet his engagements. Especially if the B[ritish] and N[ew] Z[ealand] press the call on him”.5

A further call on British & New Zealand Company shares was more than Joachim could bear. He filed his schedule of bankruptcy in July 1887. The initial statement of his assets and liabilities showed a deficiency of over £10,000.6 It is

---

1 Port Chalmers Manager to Inspector, 19 December 1884; 30 October 1885; Letterbook 1881, p. 217, National Bank Archives.
4 Ritchie to Russell, 27 May 1886, p. 483, Ritchie Papers.
5 Ritchie to Russell, 16 July 1886, p. 23, Ritchie Papers.
6 Mercantile Gazette. 2 July 1887.
likely that Cargill escaped a similar fate only through forbearance on the part of his creditors. He was, as Ritchie put it, "just about on the broad of his back."\(^1\) Ritchie had good reason to regret the misfortunes of his two colleagues. He expected NMA \& Co to lose one or two thousand pounds on a mortgage over the Wairakai property and was disgusted at the way the transaction had turned out. "How E.B. and Joachim have misled me", he complained.\(^2\)

I can hardly excuse them - I believed them to have means - but they have foolishly dissipated them - without responding to my urgent appeals to pay in to this station a/c. They had as good as £40,000 or £45,000 between them a year ago - Now nothing! They are foolish men.\(^3\)

The Cargill family managed to remain at "The Cliffs", but only by enforcing strict economies.\(^4\) Edward had now to live on only a few hundred pounds a year, the modest income from "odd jobs" and a few directorships that some friends had enabled him to take up.\(^5\) This was a great contrast to the palmy days of the 1870s when he drew £800 a year from his business merely for entertaining.\(^6\) There was apparently enough cash to continue the displays of hospitality. Cargill hosted the Hunt Club at "The Cliffs" in 1891 and gave a tea party later in the same month.\(^7\) His daughters, however, were obliged to seek appointments as governesses.\(^8\) The family may have endured these bad times with the help of a trust, which Cargill probably began creating in the early 1880s, but details of the property thus secured are now unavailable to researchers.\(^9\)

Cargill seems to have struggled on in this uncertain manner for the remainder of his life. The troubles of the British \& New Zealand Company made him depressed and he spoke of leaving the country.\(^10\) "His old influence wanes",

---

1 Ritchie to J.G.S. Roberts, 23 March 1887, p. 177, Ritchie Papers.
2 Ritchie to W.S. Davidson, 19 May 1886, p. 470, Ritchie Papers.
3 Ritchie to Captain Leslie, 15 February 1886, p. 431, Ritchie Papers.
4 Ritchie to J.G.S. Roberts, 23 March 1887, p. 177, Ritchie Papers. "The Cliffs" was mortgaged to the British \& New Zealand Mortgage \& Agency Company.
5 Ritchie to John Galloway, 9 July 1888, p. 371, Ritchie Papers.
6 Ritchie to Russell, 13 November 1876, p. 139, Ritchie Papers.
7 New Zealand Graphic, 11, 25 July 1891.
8 Helen Cargill was listed as the owner of freeholds worth £52,125 in 1882, but there is no sign of this wealth at the time of her death. Probate File A300, Dunedin High Court.
9 The Cargill family trust was administered by the Trustees Executors \& Agency Company and occupied a good deal of the directors' attention in the 1880s. The Company declined to make these records available. Cargill assigned his furniture to his daughters in 1886. Mercantile Gazette, 4 December 1886.
10 Ritchie to J.G.S. Roberts, 23 March 1887, p. 177, Ritchie Papers.
noted Ritchie in 1886. In 1887 he was voted off the directorate of the Union Steam Ship Company, an unusual occurrence for a board whose composition was normally arrived at by private understanding. Unable to meet the calls on his Equitable Insurance shares in 1890, his fellow directors asked shareholders to sanction the reduction of the liability by £300 in recognition of services rendered to the company. Although carried by a comfortable majority of the shares, this proposal led to "a somewhat lengthy and acrimonious discussion, in the course of which Mr Cargill was personally attacked by more than one speaker." After the collapse of the Colonial Bank, Cargill's finances were then removed to the care of

In 1892, the liquidator of the British & New Zealand Company reported that Cargill owed £6,483 on his shares in that concern, but it would be pointless to sue for the debt. Cargill had "lost everything he had through the depreciation in values and difficulty in selling his properties." Four years earlier he had assigned his remaining assets in trust for his creditors and to press for payment would only force him into bankruptcy. The liquidator added that Cargill's sister had offered to pay £150 if the Company released him from his liabilities. When Cargill died in 1903, his assets were worth only £1,467.

In his declining years E.B. Cargill became a rather quaint and absent-minded figure. W. Downie Stewart had a recollection of him as "a kindly, simple old gentleman, somewhat fussy and excitable, but held in high esteem by all who knew him." Joachim did not command the affection of his peers to nearly the same degree, but managed to rebuild something of his career. He survived at first on a company secretaryship and by taking in boarders. Immediately after his

1 Ritchie to W.S. Davidson, 13 November 1886, p. 95, Ritchie Papers.
3 Otago Witness, 3 July 1890, p. 13.
4 Report of Alexander Mackay, 27 April 1892, C26/82, PRO.
5 Report of Alexander Mackay, 27 April 1892, C26/82, PRO.
6 AAEC 638/99, National Archives.
7 W.D. Stewart, A Brief History of the Dunedin Club, p. 23.
8 Ritchie to John Galloway, 9 July 1888, p. 371, Ritchie Papers. The AIBR (February 1886, p. 113) reported that Joachim had purchased the Gladfield and Mayfield estates in South Canterbury for £51,000. Mayfield was taken over and worked by the National Bank for many years before its interest could be liquidated.
bankruptcy, he began trading in the shares of the Westport Coal Company and eventually became general manager of that concern.\(^1\) In 1890, he could afford to move from his Lees Street home to Mornington, where he built another fine residence. Joachim seemed to suffer no social stigma and his wife gave a tea party later in the year.\(^2\) His deceased estate realised £18,647 in 1920.\(^3\) The British & New Zealand Company’s manager in Invercargill, J.O. McArdle, was another casualty of its troubles in the 1880s and he also filed for bankruptcy.\(^4\)

John Cargill left New Zealand in the late 1880s and eventually settled in Vancouver.\(^5\) The pastoral recession had eaten away most of his former wealth. By 1891 the Otago & Southland Investment Company held a mortgage of £58,700 (reduced from £75,000) over Teviot and Glenham. A further £88,221 was owed to the British & New Zealand Company.\(^6\) These debts far exceeded the value of the estates. Cargill and Anderson were still the nominal owners in 1890, but their properties were really in the hands of their creditors who were intent upon liquidation. When Teviot was offered at auction in 1888, no bids were forthcoming.\(^7\) Ritchie put its value at a mere £50-55,000.\(^8\) Constant efforts were made to sell the station over the next few years but to no avail, even after the price was reduced to £34,500.\(^9\)

E.B. Cargill recorded in his family notes that his brother "lost everything" in later years.\(^10\) This is confirmed by John Cargill’s statement in 1892 that "for several years past I have lived with and been entirely supported by my children and I have not had nor have I now any income whatsoever."\(^11\) He blamed his position

1. For Joachim’s share transactions see Westport Coal Company Minutes: 12 July, 14 September 1887; 24 February, 28 February 1888; 26 February 1889.
2. New Zealand Graphic, 8 November 1890.
3. Probate File 6804, Dunedin High Court. AAEC 638/106, National Archives.
4. Mercantile Gazette, 4 September 1886.
5. Affidavit of John Cargill in report dated 10 December 1892, C26/82, PRO. The Mercantile Gazette (4 June 1887) suggests that Cargill had left the country by this date.
7. Ritchie to C. Teschemaker, 7 July 1888, p. 367, Ritchie Papers.
8. Ritchie to W.S. Davidson, 24 April 1888, p. 320, Ritchie Papers. There was apparently a £50,000 mortgage over Glenham (4,000 acres freehold and 16,000 sheep). Ritchie wrote, "I don’t believe Morris will get 5% out of it, nor be covered by £15,000. Excuse my parading other people’s troubles - It is about the only comfort left to us!" Ritchie to Davidson, 13 June 1888, p. 357, Ritchie Papers.
9. Affidavit of John Roberts, 15 October 1891, C26/82, PRO. Roberts explained that this was a fair price given "the deterioration in property value consequent upon special land taxation now being passed by the New Zealand parliament and the probable difficulty in securing renewal of leases for government land."
10. E.B. Cargill, Family Notes in OESM.
11. Statement of John Cargill in report dated 10 December 1892, C26/82 PRO.
on the depreciation of his properties caused by the inroads of rabbits and the fall of wool prices.\(^1\) Writing in 1875, John Cargill claimed that, on the strength of the Waste Lands Act 1867, nearly the whole of the income from his station had been spent on improvements.\(^2\) As the rabbit plague was only a few years off by this date, it seems that his run investments would have brought him little reward.

Anderson fared no better. There was a very public illustration of his declining fortunes in 1887, when his wife, Eliza (nee Cargill), sought to have their ante-nuptial settlement overturned. Mrs Anderson stated that, by reason of her husband's altered circumstances, "he was not able to keep her in her accustomed station."\(^3\) The property involved was valued at £6,600 and mortgaged by Anderson for half its value. His wife's application for an equitable interest in the disputed assets, free from marital control, was upheld. Mrs Anderson had executed the settlement while a minor and had never confirmed it.\(^4\) After losing his stations, Anderson left the country around 1895 and probably spent time on the Western Australian goldfields. He eventually returned to New Zealand only to drown in the Mataura River in 1906. It was supposed that he had invested £100,000 in the partnership with Cargill.\(^5\)

\(^1\) Statement of John Cargill in report dated 10 December 1892, C26/82 PRO.
\(^2\) ODT. 26 July 1875.
\(^3\) ODT. 7 April 1887.
\(^4\) ODT. 7, 8 April 1897. Deeds 90/202.
\(^5\) A.H.H. Webster, Teviot Tapestry. A History of Roxburgh-Millers Flat District, Dunedin, 1948, p. 35.
Stone and Olssen present contrasting interpretations of the business communities of Auckland and Dunedin. For Stone, the late 1880s were a watershed in the commercial life of the northern capital. The business world underwent a major reconstruction, the power of the "limited circle" faded and a new leadership came forward in its place.\(^1\) Olssen, on the other hand, sees the decade as a time of trial in Dunedin, but also of prosperity and continuity.\(^2\) The business elite survived the depression "reasonably well".\(^3\) Its "retreat" began later, with the closure of the Colonial Bank and the rise of unionism and the Liberals.\(^4\)

Does the experience of the "inner circle" illumine the paradox of business upheaval in Auckland and comparative stability and profitability in the south? The progress of the men who had so dominated Otago business in the 1870s reveals that they did not weather the depression with much more success than their Auckland counterparts. The main difference may lie in the dramatic collapse of the Auckland circle after 1888. Dunedin businessmen had endured a period of almost unrelieved commercial pressure since 1879. The resulting attrition, if less sudden, was no less certain in its results.

In this decade there were two bankrupts among the "inner circle", Proudfoot and Turnbull, but Larnach and Cargill might easily have met the same fate. The misfortunes of all four had come to a head well before the major calamities in Auckland. Driver had already suffered the indignity of bankruptcy in 1871 and was again beset by financial trouble at the end of his life. McLean was left an isolated and discredited figure after the Colonial Bank failure, and a cloud hung over James Rattray's later years in business.

There are grounds for supposing that this pattern was typical of the wider business community. Five of the twelve men identified in Appendix 28 were not members of the "inner circle". Two of these men, T.S. Graham and William Gregg, fell victim to bankruptcy (Gregg passed through the court for the second time in 1894). Evan Prosser left the Province and later committed suicide in Sydney. Robert Wilson, the most prolific company promoter of all, is said to have been in a position of financial embarrassment when he retired in 1895. The capital he

---

withdrew from the firm that bore his name was limited to shares in goldmining companies, over which the Colonial Bank held an equitable mortgage. His station, "Romarua", purchased in 1892 for £12,000, was forced onto the market by the Bank at some sacrifice, and the liquidation of the Colonial's assets revealed that Wilson was not able to pay ten shillings in the pound for his liabilities.¹ His deceased estate realised just £3,610 in 1899.²

A more general picture of the commercial environment may be gained from Appendix 4. Excluding the "inner circle", 109 businessmen were Dunedin Club members or provisional directors of the Colonial Bank, National Insurance Company, Union Steam Ship Company and Westport Coal Company. It is not possible to make a reliable judgment about the position of thirteen members of this group. Sixteen died outside the Province and sixteen left estates worth less than £5,000. Thirty-four had experienced a serious financial crisis or been declared bankrupt at some time during their careers. Twenty-six had assets worth £10,000 or more when they died. Four men - Prosser, Shand, Burton and Larnach - committed suicide.

The insulation theory conveys an image of a business "elite" sheltered from the effects of recession in the 1880s. This makes the experience of the Otago business community stand apart from the general pattern in the Australasian colonies. Yet we find instead that the fortunes of this body were more typical than recent accounts lead us to expect. Failure and mobility were probably more characteristic of the business community than stability and the retention of significant wealth. The balance between success and failure in the Otago business community of 1870 is in fact roughly similar to that of Katz's "entrepreneurial class" in the city of Hamilton.³ Katz was moved to ponder whether "the students of social mobility, primarily American, have discounted the possibility that failure has formed a significant aspect of the national experience."⁴ It should not be thought business in Otago was never a paying speculation, or that few businessmen were successful. An interpretation which did not give due weight to the fear and incidence of failure would, however, be equally one-sided.

The reliance on psychological factors to explain the decline of the business "elite" may prove to be premature. This explanation is likely to remain speculative,

² AAEC 638/98, National Archives.
³ M. Katz, The People of Hamilton, p. 188.
as documentary evidence is lacking of intimidation by unionism and the policies of the Liberal Party, or a loss of business confidence after the Colonial Bank disaster. The notion of the business elite going into "retreat" after 1890 appears to based on the supposed stability of this group. But the fortunes of the business community studied here suggest that this may underestimate the fluidity of the business environment in earlier years. If the changed appearance of the business elite is to attract further investigation, the examination of commercial pressures may prove a more fruitful line of inquiry, at least in the first instance.

We should bear in mind that the old mercantile families of Melbourne began their "retreat" during a decade of rapid economic growth. Despite these seemingly favourable conditions, their commercial niche was shrinking. The merchants of Otago may well have suffered in the same way and they had to contend with a serious depression. Membership records show that professional men made up a growing element in the Dunedin Club. By the 1890s, merchants and runholders were no longer the backbone of the Club. In Melbourne, too, the importance of these occupational categories was fading. This again points to wider structural changes, rather than local political conditions, as a possible explanation for the new shape of a Dunedin "elite".

Stone remarked upon the survival of some members of the old order in Auckland, and the emergence of a new group of business leaders drawn from "lesser" men. The same might be said of the business world of Dunedin. There were, as we have seen, some very successful men among the "inner circle", although Oliver, Mills and Russell died overseas. Their departure further weakened any dynastic trend which might have emerged and reflected the mobility of Dunedin's wealthier citizens. The sons of W.H. Reynolds failed to emulate his prominence, and personal troubles prevented Allan Holmes from filling the place once occupied by his father in Dunedin business. This left the families of Neill, Roberts, Rattray and Ritchie as the most prominent representatives of the "inner circle" at the turn of the century. Around them flourished men who had made quiet but significant progress during earlier years. Men such as Daniel Haynes, Hallenstein, Ross, Glendining, Wright and Hazlett could now regard themselves as leaders of commerce. In many instances they had not sought admission to the Dunedin Club, but had joined the Otago Club in 1889.

2 R.C.J. Stone, Makers of Fortune, pp. 69, 195.
3 See Appendix 59, Volume Two.
As Stone suggests, it would be wrong to look upon the 1880s as a barren, discreditable decade.\(^1\) The foundations of future industrial and commercial growth had been substantially laid in this period or even earlier. There were, of course, the corporate giants: National Insurance, Westport Coal and the Union Steam Ship Company. But Dunedin’s continued importance as a business centre also rode upon enterprises that had expanded from modest beginnings, or were reconstructed from earlier ventures - for example, the Mosgiel Woollen Company, Donaghy’s Rope and Twine Factory, W. Gregg & Co, Milburn Cement, Shacklock & Co, Speights, Kempthorne Prosser and the New Zealand Refrigerating Company.

\(^1\) M. Katz, *The People of Hamilton*, p. 188.
PART SIX

FURTHER HISTORIOGRAPHICAL ISSUES

Recent interpretations of the business community of nineteenth-century Otago have been based upon the concept of an "elite". The members of the elite, it is argued, were no random assemblage identified by wealth or economic function. These men formed a distinct group at the top of the class structure. They were bound together not only by shared economic interests but also by their religious outlook and a complex network of social ties, in which intermarriage and club membership were fundamental. In the light of the evidence discussed in the previous Parts of this thesis, it is now possible to make several observations that may help to clarify aspects of this interpretative model. It should be remembered that the "elite" as conceived by Angus and Olssen is not identical with the business community defined here, but the degree of overlap is such that there ought to be close similarities in the behaviour of these groups.

From the conclusions in Part Five, it is clear that the coherence and stability of the "elite" should be addressed. It would seem from Olssen's account that there had always been an elite of some sort in Otago: there was even such an element among the passengers of the first ships sent by the Otago Association. Perhaps ironically, Olssen suggests that it comprised "farmers' sons, small shopkeepers, and self-employed tradesmen".\(^1\) The "Little Enemy" and its Free Church opponents he describes as "factious" and "puny elites" temporarily divided by ethnic and religious jealousies, but soon to become united through intermarriage and social mixing.\(^2\) At the end of the 1850s "men of wealth" had established themselves as leaders of the community and constituted "a local board of directors", which also "dominated" the Provincial Council.\(^3\) The discovery of gold merely "consolidated the wealth and power of

---

\(^1\) E. Olssen, A History of Otago, p. 33.
\(^2\) E. Olssen, A History of Otago, p. 38.
\(^3\) E. Olssen, A History of Otago, pp. 51, 54
the emergent elite, and strengthened the social structure that had taken form between 1848 and 1860.¹ By 1870 Otago's "elite", now "the most powerful" in the colony, had reached maturity.² It was "a close-knit" collection of merchants, pastoralists, large farmers, well-to-do professionals and financiers, most of whom patronised the Club.³ The next portrait of this group, towards the end of the century, reveals no change in its essential characteristics, though it was nonetheless poised to begin its "retreat".

Until this stage, the history of the "elite" is portrayed as a continuum. The reader might be forgiven for thinking that the position of this group was entrenched by the start of the 1860s and that none of the economic or political events of the following three decades did much to change the situation. Analysis of the business community undermines this impression. It suggests instead that the "elite" was far from static. The business world of Otago was forged anew during the goldrush years and its Old Identity precursor expanded almost beyond recognition. This new order had little time to stabilise before the depression of the late 1860s caused a further drastic reorganisation. The present study has been principally concerned with the men who made up the business community at the end of this turbulent period, as Otago began a new era of prosperity. The experience of these individuals suggests a continued high level of movement out of the Province and a high incidence of business failure or financial adversity.

The reasons for this pattern are not mysterious. Rather than fostering a stable elite, whose position was largely insulated from the ebb and flow of economic cycles, the business environment of Otago continued to reflect the classic features of a dependent economy. It was strongly influenced by investment flows from abroad and its major economic activities were highly sensitive to movements in the value of a few staple commodities. There were certainly opportunities for the rapid accumulation of capital, but these were balanced to a large degree by the associated risks. These risks were amplified by the limited range of investment opportunities and the consequent inability to

² E. Olssen, A History of Otago, p. 56.
³ E. Olssen, A History of Otago, p. 70.
spread liabilities by diversifying business ventures. This in turn contributed to an uncritical faith in the rising value of land and the very damaging tendency to borrow heavily for the purpose of speculation.

More than its stability or consolidated financial power, the features of the business community that impress in this period are the fluidity of its composition and the insecurity of its members' wealth. None of this necessarily invalidates the notion of an "elite". If the category is defined primarily in structural terms, it is possible to argue that the class niche of the elite remained constant, even if the individuals who occupied that niche might not remain there very long. This was precisely the argument employed in Katz's study of Hamilton in the middle decades of the nineteenth century. Katz discovered that the failure rate among the men he categorises as the elite of this society was "staggeringly high", even among its most prominent members.\(^1\) In his view, this did not affect the structure of Hamilton society:

> Some men managed, it is true, to maintain their position in that elite for decades. But others came and went, leaving the nature of the elite unaltered while the identity of its members swirled with the vicissitudes of commerce, the whims of creditors, the logic of character, and the vagaries of chance.\(^2\)

Much the same could be said of the Otago business community, and no doubt it could be contended with equal force that the category of elite defined by objective criteria existed in this Province throughout the latter half of the nineteenth century. Conceiving the elite in this way may result in an excessively narrow perspective. If the model is to assist in explaining the pattern of class relationships in Otago, it is necessary to inquire what kind of "elite" this was and how it might have appeared to the men of the time. Here again, it is tempting to see parallels with Katz's "entrepreneurial class". He writes:

> In a general sense insecurity dominated the life of the entrepreneurial class... Insecurity bred suspicion,

---

aggressiveness, and conflict that probably counterbalanced the cohesion which might otherwise have resulted from the close association of the same men in all the affairs of the city... Through its fundamental insecurity and the amount of serious conflict it engendered, commercial life must have invaded personal relationships, isolating men from one another, creating small unstable factions, driving men inward to their families in search of warmth, outward to frantically hard work, and often away to another city where they might start anew... Competitors and sometimes antagonists, they could still unite when threatened... But the smooth flow of power rippling out through the commercial, political, and associational life of the city could not veil the other face of the entrepreneurial class: the competition and squabbling among anxious, "uneasy" men scrambling for success amidst the constant threat and frequent reality of failure.¹

These intuitive observations are demonstrably true of the tenor of commercial life in Otago, although those who were unsuccessful in business often received compassionate treatment. In a town of Dunedin's size, the business community could only be "close-knit".² The private history of this group nonetheless reveals an often acrimonious world, divided at its highest levels into petty factions. With or without the impetus of direct competition in business, relations between its members were often blighted by suspicion and jealousy.

This was clearly no monolithic "elite", nor did it present a very consistent face to the outside world. Its continually changing membership and the demise of so many of its leading figures could not have passed unnoticed by contemporary observers. In terms of its composition, the "elite" that was "dismissed" in the 1890 election bore only partial resemblance to the group that had presided over the business life of the Province two decades earlier.³

The dynastic wealth of which Eldred-Grigg has written was more the exception than the rule. This is not to say that political rhetoric about the entrenchment of a "ruling class" of businessmen and squatters was not

² E. Olssen, A History of Otago, p. 70.
³ E. Olssen, A History of Otago, p. 112.
persuasive at various times or that the pretensions of the wealthy were viewed more benignly. The fact that most leaders of business were manifestly *nouveau riche* - mere winners in the lottery of colonial business - was used by the popular press to justify denying them any special privileges or respect.

By definition, an elite must exist in relation to other less powerful and less exclusive social categories. In Olssen's *A History of Otago* perceptions of this division of power are not shown to have had a significant bearing on political relations until the rise of working class radicalism in the 1880s. In this thesis, the examination in Part Three of the relationship between business and politics reveals that the idea of an "elite" had obtained currency in Otago politics at a much earlier period. The conflict between the "High Street" faction and its opponents represents one of the defining moments in the history of the business community. It is strange that this episode, which lays bare so much about the contemporary understanding of the nature of an "elite", has been largely ignored. If the concept of an elite is to mean more than the application of objective criteria that have been generated more than a century later, this period of Otago history is owed closer attention.

An analysis of the political behaviour of the business community also suggests much about the climate of radicalism in the 1870s. In the current literature, there is a strange hiatus between the seemingly ineffectual radicalism introduced by the goldrush population and the beginnings of a proletarian consciousness that may be discerned in the last two decades of the century.\(^1\) The course of provincial politics from the late 1860s establishes that the development of a radical ideology was already well advanced by this date. The radicalism of this early period sprang from two main sources: the communities of the lowland agricultural districts and the goldfields. These traditions were blended in an uneasy and short-lived alliance in the Provincial Council. They also differed in many respects from the political ideology espoused by leaders of the urban working class at the end of the century.

Nevertheless, it cannot be supposed that radical influences had little direct impact on Otago politics until the late 1880s. If it is true to say that the "elite" had been "dismissed" in the election of 1890, it might also be correct to

---

1 There is a passing acknowledgement of the connection on p. 105 of Olssen's *A History of Otago*. 
say that something similar had occurred in 1871, when the "Liberal Party" comprehensively won the provincial elections. Electoral defeat was not a new experience for the "elite" of the 1890s; its political vulnerability had already been exposed and its hold on political power could not have seemed unassailable.

Olssen and Angus link the emergence of a working class political movement in the late 1880s to the city's broadening industrial base, the rise of unionism and the congregation of workers in distinct residential areas. These features were not nearly so apparent in the 1870s, but there are strong signs that the political rhetoric associated with the labour movement drew upon earlier radical traditions.1 The Otago Workman, which began publication in 1887, has been described as "convincing testimony to the rapid growth of class consciousness in the three years before 1890.2 Fairburn, who is otherwise sceptical of the extent of class organisation in Dunedin, concedes that the paper is the "best and most illuminating documentation of a possible working-class sensibility.3

Given the reliance placed upon the Workman as evidence of class consciousness, it is useful to compare this paper with the radical journals of the early 1870s. The Workman was admittedly more durable than any of its radical or popular predecessors. Its success in this respect may well have reflected the availability of a larger working class audience and increased class consciousness, but it is not so certain that the emergence of a newspaper of this kind would have been looked upon as an innovation. The "consistent and coherent interpretative framework" employed by its editor may have been sophisticated, yet the tone of the Workman was, if anything, more restrained than some earlier Dunedin newspapers.4 The language and symbols used to

1 The extent of residential differentiation and the significance of unionisation have been challenged by Miles Fairburn, who argues that "Olssen has asked the wrong question; the question is not why collective class protest arises but why so little of it even occurred and why its scale was so small." (M. Fairburn, The Ideal Society and Its Enemies: The Foundations of Modern New Zealand Society 1856-1900, Auckland, 1989, p. 125, and Ch. 5 generally.) Our concern lies with the connection between earlier radical traditions and the politics of the late 1880s and early 1890s, not with the extent and durability of class mobilisation. It is therefore unnecessary to form any conclusion about the validity of Fairburn's criticisms.


describe the 1887 election would not have been out of place in the columns of
the *Echo* eighteen years earlier:

At last there is a conflict between the workers and the capitalist
class, and year by year the issue is becoming more plain. At this
election we see ranged on one side the Importers and the Loan
Company agents, the large landowners and the wealthy class
generally; on the other, the sons of toil... Are the workmen of
Otago going to allow the Loan Companies and the squattocracy
to rule?  

It is striking that the "elite" is characterised in such familiar terms. This is not
surprising when one considers that the paper's editor, Samuel Lister, was
working for the Otago *Punch* when the "Liberal Party" began to take shape.
Lister must have been familiar with the content of journals such as the *Echo*
and the *Southern League*.  

It seems to be agreed that the *Workman* is important evidence of the state
of class relations, so it is odd that its predecessors have been ignored.  
There are certainly grounds for supposing that the *Workman* tapped currents in
Otago society that had flowed strongly, if intermittently, for some time past.
Viewed in this light, the commencement of the paper may not, in itself, be
such clear proof of a marked shift in class divisions or the emergence of a
significantly new subculture. At the very least, we can conclude that Otago's
radical tradition was a political force at a much earlier period than has
previously been acknowledged.

In Olssen's interpretation, the rise of working class radicalism is
associated with a rejection of the religious ideology propagated by the "elite".
The nature of this ideology and the religious outlook of the elite are gradually
revealed in the course of his earlier chapters. At the beginning of the Otago
settlement, the "elite" was divided by the conflict between the Presbyterian

---

1 Otago *Workman*, 24 September 1887.
1993, pp. 272-273.
3 Olssen apparently views the *Sandfly* as a forerunner of the *Workman*, but from the two surviving issues it is
difficult to substantiate the claim that it also "vigorously attacked those once thought worthy of deference."
leaders of the first immigrants and the Anglican "Little Enemy". Despite the rapid unification of these elements, the religious character of the settlement was still intact by the late 1850s. Presbyterians "dominated" its social and moral life. Although knowing that they could only be saved by the unearned grace of God, they believed themselves to be a gathering of the elect and entertained a "seemingly fatalist belief in predestination". Their ministers stressed the virtues of industry, discipline and piety and many believed that entertainment or recreation that was divorced from serious purpose was wicked.

For Olssen, the ethos of the emerging business community was forged in this atmosphere of claustrophobic dourness. The Free Church in Scotland had fused *laissez-faire* economics with Calvinist theology to create "a powerful but spiritually corrosive ideology". It suited Otago's business leaders to follow in this tradition. Men like John Cargill and Macandrew believed that "the Bible promoted commerce". The urban business elite that "dominated" the Provincial Council had no radical designs on the lands occupied by the pastoralists. On the contrary, the "more aggressive merchants, led by Free Churchmen" espoused a religious ideology that sanctioned free trade in land and the vast leasehold estates of the squatters.

Because the goldrushes "consolidated the wealth and power of the emergent elite, and strengthened the social structure that had taken form between 1848 and 1860", the natural inference is that Presbyterian values continued to hold sway in the business world. The reader is not discouraged from drawing this conclusion and the Presbyterian character of the "elite" is hinted at in other contexts. When working people began to abandon Presbyterianism, First Church and Knox Church became "the preserve of the

---

city's Presbyterian business elite."\(^1\) We are told that "the new elite - men like E.B. Cargill and A.B. [sic] Burns" lost their appetite for severe simplicity in worship as their convictions became softened by newly-acquired wealth.\(^2\) It seems more than coincidence that the two men selected to represent the "elite" were sons of those who had led the Free Church settlement in Otago.

Olssen's depiction of the "elite" towards the end of the century reaffirms his view that the religious character of this group had remained intact since the genesis of the colony. Almost all its members belonged to the Fernhill Club or the "slightly less prestigious" Otago Club, and "Scots-Presbyterians dominated the Fernhill [Dunedin] Club".\(^3\) Although Olssen understands most of the club members to have arrived in the 1860s and believes that over half of those "for whom information is available" had arrived from Victoria, he is satisfied that this bastion of the "elite" was essentially a Presbyterian institution.\(^4\)

Implicit in these statements are two perceptions of the business community relevant to this study. The first is that most of the business "elite" of the 1870s belonged to an institution that was "dominated"- presumably in a numerical sense - by Presbyterians. As discussed in Appendix 60, it is possible to identify 168 men who were members of the Dunedin Club between 1863 and 1880. We may be reasonably confident in assigning church affiliations to approximately two thirds of these men. Of this number, Presbyterians are outnumbered by other denominations by more than two to one. The pattern was probably much the same among the remaining third. A majority of Presbyterian members of the Dunedin Club attended Knox Church. Once this parish was established, N.Y.A. Wales was probably the only Club member to remain at First Church.\(^5\) If we look beyond the Club and consider the known

---

1. E. Olssen, *A History of Otago*, p. 137. Admittedly, the phrase is ambiguous. It could either refer to the business elite within the Presbyterian community or imply that the business community was essentially Presbyterian.
2. E. Olssen, *A History of Otago*, p. 75. Although these men are claimed to be representatives of a "new elite", both had arrived in Otago before 1861.
5. He appears to have resigned as an elder after a misunderstanding about his views on marriage to a deceased wife's sister. First Church Deacons' Court Minutes, 6 December 1875, p. 298.
denominations of all the businessmen in Appendix 60, a more even division between Presbyterians and Anglicans becomes apparent.¹

In their religious affiliations, businessmen of the "inner circle" were almost evenly divided between these churches. Roberts, Reynolds, Cargill, McLean, Tolmie, Holmes and Turnbull were certainly Presbyterians. Proudfoot might have had some leaning towards the Presbyterian Church: his sister was married to George Fenwick, an Anglican, by Dr Stuart of Knox Church.² James Mills is said to have been nominally a Presbyterian.³ Nichols and Driver baptised their children as Anglicans.⁴ Oliver and Larnach were members of All Saints. Neill, Ritchie, Russell and Rattray all served on the Synod of the Anglican Church.

If Presbyterian influences on the business community have been over-estimated, what of the perception that Presbyterian businessmen embraced a theology that praised unbridled capitalism and assured them that "success in business was God's reward for virtue"?⁵ Those who were attracted by such ideas might have drawn comfort from a selective reading of Thomas Chalmers' economic writings. Chalmers' thinking on commercial morality was moulded around a distinction between legitimate business and speculation. Participation in commerce was a test of one's spiritual discipline. Business behaviour that went "beyond the moderation of the New Testament" would inevitably be punished by intervals of bankruptcy and alarm.⁶ Interference with free trade was therefore to be condemned, for it disrupted God's moral government by thwarting the dispensations of Providence.⁷

¹ McAloon argues that Presbyterians made up nearly half of Otago's richest people in this period. One might infer from the same evidence that a majority of his sample were not Presbyterians. Presbyterians, therefore, could not have been numerically dominant. McAloon does not describe the method by which the religions of this wealthy element were ascertained. J.P. McAloon, "Colonial Wealth: The Rich in Canterbury and Otago 1850-1914", pp. 263, 264.
² Otago Guardian, 29 September 1874 (monthly summary).
³ G. McLean, The Southern Octopus, p. 23. No source has been offered for this claim and Mills has not been positively identified in surviving Presbyterian records.
⁴ Driver was also a subscriber to the (Anglican) Clergyman Maintenance Fund in 1862.
⁷ B. Hilton, "Chalmers as Political Economist" in A.C. Cheyne (ed.), The Practical and the Pious, Ch. 7.
Chalmers held the view that "so long as one had a stable, convertible currency, businesses which went bust did so deservedly, through cupidity or stupidity." The growing complexity of the commercial world made this judgement seem less relevant. In particular, the introduction of limited liability legislation undermined Chalmers' retributive theory of business failure: the scheme of Providence had been upset by allowing debtors to discharge less of their obligations than they might be capable of paying.

Chalmers' importance as an economic thinker declined rapidly in the middle of the nineteenth century. It is now difficult to assess the influence of his ideas on Presbyterian businessmen in the colonies several decades after his death. We know nothing of the way in which men like Cargill, Turnbull and Tolmie interpreted the peaks and troughs of their business fortunes. If "success in business was God's reward for virtue", did they construe disaster as signifying the opposite? There is scant evidence that they sought vocational success to allay anxiety regarding divine favour. Such an outlook was certainly inconvenient in an unstable colonial economy, whose violent oscillations might easily destroy both the blameless and the blameworthy.

In the Proceedings of the Synod of the Presbyterian Church of Otago and Southland, the clearest evidence linking godliness with business activity was an address by the Moderator in 1890. Speaking on the subject of "The Church: its own peculiar character and work and its other agencies existing in the world", the Moderator, Rev. A.M. Finlayson of Blueskin, proclaimed:

The ordinary occupations of men in commercial or industrial pursuits, occupy the greater part of their active life. The amount of thought and labour bestowed on business of this kind is enormous. This is not an evil to be deplored or denounced, but a good thing to be acknowledged by the Church as a gift of God. "Not slothful in business" is coupled with "serving the Lord"; and though it is sufficiently evident that all

---

diligence in business is not in the spirit of service to the Lord, yet diligence in business is a good thing. Industry is a virtue, and successful industry is a blessing, on account of which the Church should give thanks to God and congratulate men.¹

This passage ought not to be construed as representing success in commerce as a sign of election. It is true that Calvin's theology, which underlay the Moderator's remarks, did not deplore wealth. Riches were given by God to meet the needs of the community, and it was blasphemous to suggest that those who possessed them were inevitably corrupted.² Wealth, however, implied no greater likelihood of salvation. Heaven was open "to all who have either used their wealth properly or endured poverty patiently", and God called "rich and poor alike to salvation".³

But the rich had onerous responsibilities to discharge.⁴ Like all men they were "stewards of everything God has conferred on us by which we are able to help our neighbour" and were required to render account of that stewardship.⁵ They must "one day give a reckoning of their vast wealth, that they may carefully and faithfully apply their abundance to good uses approved by God." And although wealth, by its nature, "does not prevent us from following God", still, human nature was so depraved that "it is almost certain that those who are well off will choke on their riches."⁶ If success in business was correctly interpreted as a reward, it was a reward with daunting strings attached.

It remained nonetheless a Christian duty to be diligent in pursuing one's calling in life. Time and wealth were precious commodities to be expended in improving the life of the community. If one possessed the gift of skill in business, it was right to make full use of that gift - provided that the objects of Christianity were served, or at least not injured thereby. Finlayson's praise of

¹ New Zealand Presbyterian, 1 November 1890, p. 88.
⁴ These were also explored in the Presbyterian literature of the period. See, for instance, the commentary on Carnegie's "Gospel of Wealth" in the New Zealand Presbyterian, 1 May 1890, p. 207; "Aspects of the Social Condition of Otago", Otago Christian Record, 11 October 1873, p. 7.
business enterprise was thus a reflection of Calvin's teachings, but it fell short of equating the interests of capitalism with the will of God.

In 1881 the Synod considered "the expediency of... taking action to secure the expulsion of bankrupts from office in the Church." The discussion suggests that the full rigour of Chalmers' economic philosophy had not found fertile soil in Otago. Opposition to the proposal was based partly on constitutional grounds, with some speakers arguing that the Kirk Sessions already had a discretion to deal with such cases as seemed to warrant action. Several members of the Synod also maintained that a rule which left no room for leniency might cause injustice. W.D. Stewart was sure the motion was retrogressive: "A man might bring himself technically within the law of bankruptcy, but still be free from any moral guilt; and it would be unjust to such a man to force his resignation." The Rev. Will instanced the case of a man "who happened to have Glasgow Bank shares, and who had consequently become bankrupt. Could the Church require such a man to resign his office as in some way a guilty man?"

The proposed rule found support from the Rev. John Ryley. Ryley was a man of some means who later left the ministry and went into business, only to become bankrupt himself at the time of the Colonial Bank merger. His stand on this question seems even more ironic when one considers that he was associated with Chalmers Church, a conservative Free Church congregation formed in 1887. Even Ryley seemed to accept that bankruptcy was not invariably the result of sinful behaviour:

Bankruptcy was a crying evil, and he thought it necessary that a man becoming a bankrupt should be compelled to resign; whilst if he was guiltless in the matter, the congregation would be the first to re-elect him.

---

1 ODT. 14 January 1881. This appears to be connected with an overture on bankruptcy considered by the Presbytery of Dunedin in the previous year. The sponsor of this earlier overture acknowledged that many bankrupts were morally blameless. Morning Herald, 4, 10, 12 November 1880.
2 ODT. 14 January 1881.
3 ODT. 14 January 1881.
4 The date is taken from the records of Chalmers Parish, Knox College Archives. Ryley was the interim moderator of Chalmers Church.
5 ODT. 14 January 1887.
Most of the Synod were not prepared to go this far. It was resolved by twenty-two votes to eleven that no overture should be sent to the Presbyteries.

While Chalmers had discerned God's judgement in cycles of depression, Otago's Presbyterian leaders were concerned on this occasion with the implications of bankruptcy for individuals. They feared that too much might be read into the mere fact that a man had failed in business. It was not accepted that all bankrupts were morally blameworthy. If the victims were themselves expected to draw conclusions about their prospects of salvation, this was not raised by any speaker.

The Synod's only explicit discussion of commercial morality was not enlightening. In 1893 the minister of Mosgiel parish put forward a deliverance which "spoke in rather uncomplimentary terms of the commercial morality of the Province."\footnote{ODT, 7 November 1893.} This interest in business ethics was not sparked by any recent development, nor was it directed at a particular section of the commercial community. The Report on the State of Religion, on which the deliverance was apparently based, mildly stated:

> many of the maxims which enter into the working creed of commerce of to-day come far short of the ethics of the Sermon on the Mount... In the past, too marked a distinction has been drawn between the secular and the sacred, and there have been many who, virtually regarding the truths of the Gospel as having little or no application to business, have acted accordingly.\footnote{Proceedings of the Synod of the Presbyterian Church of Otago and Southland, 1893, p. 45.}

The discussion of this subject incensed E.B. Cargill, who at one point threatened to leave the Synod and was heard to expostulate "[f]alse; an unscrupulous falsehood."\footnote{ODT, 7 November 1893.} He later explained that:

> his indignation had been aroused by the groundless statements that had been made against the traders and commercial men.
He spoke from fifty years' experience in commercial affairs when he said that he had never been asked to do anything that was not in strict accordance with business principles and morality. He was glad to say that he was in a position to defend the commercial men of the community against the sweeping charges that had been made against them without the slightest foundation.  

This statement exaggerated the purity of Dunedin's recent business history, as Cargill himself must have known. Needless to say, there was no mention of his own part in the dummyism controversy a decade earlier.

The question of commercial morality in Dunedin was put in perspective by the Melbourne correspondent of the *ODT*. Noting the disturbance this issue had raised, he recalled that the Presbyterian Synod of Victoria had "let commercial morality severely alone." The reason was simple: "Melbourne has no commercial morality. Never in its history was it famous for its stock of the commodity, but it cleared out every remaining shred of it in the boom time." As further instances of corporate corruption were revealed to the public of Melbourne, this correspondent later wrote that "the Presbyterian Synod of Otago, when it reprobated the Dunedin merchants, scarcely knew the first principles of commercial immorality." Dunedinites, he added, were "almost babes unborn in their innocence in such matters."

Olssen argues that the "enervation" of the business and pastoral elites (together with various "spiritual confusions") weakened "not only Otago's economic power but its religious character." This claims a pivotal role for the business community in the religious life of the Province, but the assertion seems questionable on several grounds. It presupposes a distinctively Presbyterian business community, when in fact the business leaders of this period were, in perhaps the majority of cases, not Presbyterians at all. It also

1 *ODT*, 7 November 1893.  
2 *ODT*, 29 November 1893.  
3 *ODT*, 29 November 1893.  
4 *ODT*, 4 December 1893.  
5 *ODT*, 4 December 1893.  
implies that the religious character of the Province was stamped upon it from above by this upper stratum of the business world. A parallel is drawn between the challenge of organised labour to the political power of the merchant class and the threat that the irreligion of the working classes posed to the "hegemony of the Presbyterians."  

It is clear that the mercantile-pastoral elite had never dominated local politics in the manner envisaged by Olssen's argument. Was it, then, capable of imposing upon other social groups its supposedly characteristic ideology, which discerned God's will in the machinations of laissez-faire capitalism? The Liberal era in the Provincial Council suggests that this ideology was not widely accepted in the community. Otago's hostility to land monopoly and its experimentation with giving small farmers privileged access to Crown land were inconsistent with both laissez-faire principles and the immediate interests of the business elite of that period.

This episode further demonstrated that Presbyterian ideology could be mobilised in promoting attacks upon the political objectives of the elite. The tendency is illustrated by John Lillee Gillies, a leading member of the "Liberal" faction and that party's choice as Speaker of the Council in 1871. Gillies was born into one of the Province's most talented Presbyterian families. His brother Thomas, who later became a Supreme Court judge and Superintendent of Auckland Province, could easily read the New Testament at the age of four. Thomas was obliged to study the doctrines of the Presbyterian faith, read all that could be said in their favour and discuss any points of difficulty with his father - "I was thus bred, I may say from my earliest years, in

---

2 The origins of Otago's distinctive system of land disposal may be traced to the beginnings of the Province. In 1848 John McGlashan argued for the creation of an agricultural tenantry, which would comprise an intermediate class between the capitalists and labourers of the Wakefield model. He proposed that cheap leases over sections of not less than fifty acres should be made available to settlers who would occupy and work the land themselves. The tenant would have a right of purchase, but would also be subject to certain conditions of improving his land. McGlashan to Harrington, 30 June 1848, CO 208/122, p. 182; 23 September 1848, CO 208/122, pp. 182-8; 27 October 1848, CO 208/122, p. 278; also Murdoch and Hood to Merivale, 22 December 1851, CO 368/73, p. 147. The social stratification inherent in the Wakefield system appears to have been unpopular among some Scots. See, for example, Otago News, 15 December 1849.
a controversial atmosphere, and was thus trained to an unusual extent in habits of logical and critical thought..."1

The honing of these critical faculties led in Thomas's case to the rejection of religion. Christianity, he decided, was "merely the best existing form of superstition, possessing no evidence of divine origin..."2 His brothers, John, Robert and William, adhered strongly to their father's Church. John Gillies believed that in all spheres of life the measure of acceptable conduct must be a Christian one. In 1863 he proclaimed to the voters of Tokomairiro his belief in a divine legislation, based on biblical principles, to which the laws of men must be subservient: "No man who did not feel this should be returned."3

Having himself been steeped in the politics of the Victorian goldfields, Gillies praised Wilson Gray for his rejection of "individualism".4 This was, in Gillies' view, the great malaise of contemporary life. In reviewing the political achievements of the "Liberals" in the Provincial Council, he made it clear that he believed their actions had a biblical foundation:

The planks of our socialism were not mere human fads, nor ingenious speculations but drawn from the Book of books, the good old Bible, where let your secularists and faddists say what you like, you have the best directions and laws laid down as to how men should deal with and act towards one another. It is there you will alone find the true foundations of practical socialism and liberalism. True progress, upwards not downwards.5

The attitudes of urban Presbyterian businessmen were not so pervasive that the "enervation" of this group can be seen as causing the Province to lose its distinctive religious character. Businessmen and pastoralists had less numerical influence in the Synod, for example, than they had in the Provincial Council. Presbyterian thinking on the role of capitalism in society was not captured by the wealthy. Districts that have been described as

3 Otago Witness, 6 June 1863.
4 Otago Guardian, 7 August 1875.
5 J.L. Gillies papers, typescript address, MS 1064, Hocken Library.
"Presbyterian fasts" - Taieri, Tokomairiro, Matau and Clutha - were strongholds of the "Liberal Party". The support that these places gave the "Liberals" may be seen as vindicating Gray’s views about "the greater reliability of the Scotch in politics." Gray was known to say: "Give me the Scotch in an election, nine out of every twelve are radicals." Reid, Allan, Clark and Thomson, four prominent figures in the "Liberal Party", were elders in the Presbyterian Church. The *Bruce Herald*, an early and consistent critic of urban business elites, was at different times owned by Reid and edited by Gillies.

There was also division among Presbyterians on the subject of sabbath observance and this seemed to have little to do with wealthy businessmen losing their taste for severe simplicity in worship. Members of the business elite, "like E.B. Cargill and A.[J.] Burns", were as likely as not to be found at the van of the sabbatarian movement. In 1874, while at the height of his wealth, E.B. Cargill led an attempt to have the Athenaeum closed on Sundays. One of his opponents was Robert Gillies, a Club member and therefore, by Olssen’s criteria, a member of the business "elite". A rich man himself, Gillies’ opposition was on biblical grounds, although his own minister, Dr Stuart, supported the closure of the reading room. Gillies asserted that there was:

nothing in the tenets of the Presbyterian Church that would for one moment prevent the opening of the reading room for four hours on Sunday... He valued his Presbyterianism but he valued something more, and that was truth... There was a truth that lay at the root of the matter and that was that no man should bind upon other men’s consciences that which God had not made binding.

Gillies challenged the sabbatarians to compare the Athenaeum question with anything the Bible or New Testament directed about the sabbath, “and then let them say if their Blessed Lord and Master would not have said - as he did say

2 M.S. Grace to Stout, 14 February 1882, Stout Papers, Folder 14, Alexander Turnbull Library.
3 *Echo*, 6 March 1880.
4 J.L. Gillies papers, typescript address, MS 1064, Hocken Library. For Reid’s interest, see *Morning Herald*, 12 November 1879.
5 *ODT*, 12 February 1874.
when he cured the man with the withered hand - that it would be doing
good?" His amendment of Cargill's motion was carried by 252 votes to 242.

Later that year another member of Knox Church, George Turnbull, invited the Provincial Council to pass a resolution reducing the number of trains running on Sundays. Turnbull’s motion, supported by a petition signed by 7,000 people, was defeated by two votes. Richard Oliver was contemptuous of the whole debate, complaining that the Council was degenerating into a Young Men’s Mutual Improvement Association. The harshest rebuke came from the Daily Times, which considered sabbatarianism to be a "comparatively new-fangled doctrine." Not only were its advocates on shaky theological ground, some of them were hypocrites:

It has been determined by our united Provincial wisdom that we are not to be governed by the rules given to the Jews... We trust we have heard the last of the attempt to govern the Province upon principles which we will not honour by calling religious - upon principles which are countenanced only by the stupidest of the stupid, which are lingering ghosts of the prejudices and passions of those days in which the Inquisition flourished and the Kirk Session represented the will of the people. The opposition to Sunday trains exhibits the true Philistine intolerance of anything like poverty. The same men who oppose them would, without scruple use their own horses, and do, without scruple, use their own servants in work which cannot by any stretch of the imagination be called necessary. Directly any proposition is made to enable their poorer neighbours to enjoy the same facilities by means of public conveyances which they themselves have in private they are up in arms, and in support of their fantastic burlesque of every truly Christian precept.

---
1 ODT, 12 February 1874.
2 Proceedings of the Synod of the Presbyterian Church of Otago and Southland, 1875, Appendix, p. 7.
3 ODT, 28 May 1874.
4 ODT, 2 June 1874. The editorial observed that the Mosaic law forbade work on the seventh day of the week; it did not restrain amusement on the first.
5 ODT, 29 May 1874.
The sabbatarians were outraged. E.B. Cargill damned the paper's articles as being "quite unfit to appear on the family breakfast table." But the Daily Times was unrepentant and insisted that the question of Sunday trains was a poor man's question: "Our zeal for the labouring classes is by no means a 'new born one', and they know it."2

Olssen has described the Otago Daily Times as "[t]he mouthpiece of the mercantile-professional elite", and in many respects this was true. In matters of religion, however, it was more the mouthpiece of an Anglican elite in the 1870s and 80s. When the battle raged over sabbatarianism in 1874, four of the paper's five directors were Anglican.4 The offending editorials are likely to have been written either by W.D. Murison, an Anglican, or by his vicar at All Saints, Robert Stanford.5 The ODT lost few opportunities to mock Presbyterian dogma and Scottish customs in general.6 Its columnist, "Civis", wrote in 1881:

If we are to judge of high and dry Presbyterianism by what it is under the modifying and humanising influence of a mixed population, the profane Press, and the rivalry of other religious bodies, Lord save us all, what would it have been without them?... What a mercy the "new iniquity" delivered Otago from an exclusive Presbyterianism! A Presbyterian paradise would indeed be unendurable.7

When the use of instrumental music in Knox Church was "sanctioned" by the Synod in 1882, the editor's sarcasm was again in evidence:

If Otago had not been almost more conservative than Scotland itself, there would have been no need for asking such permission at this hour of the day. But the true blue Presbyterians who settled this part of the Colony brought their prejudices with them as well as their religion... [H]ad they only

---

1 ODT. 2 June 1874.
2 ODT. 2 June 1874.
4 ODT. 19 June 1874.
5 Morning Herald. 20, 21, 24 December 1878.
6 See Appendix 61, Volume Two.
7 ODT. 15 January 1881.
left their thirst for Glenlivet behind them, they might have turned Otago into a Scottish Arcady... But Arcadia is, alas! no longer possible in any nook or corner of the British world. The pristine Scotch simplicity is dying out here as at Home. We Otagans, however, have been a mixed people ever since the "New Iniquities" came from over sea to disturb the dreams, and perhaps to some extent to corrupt the innocence, of the Old Identities. New Zealanders are neither Scotch, nor English, nor Irish, but a new race... It was, then, only fit and proper that a congregation like that of Knox Church should conform to the manners of the place and time, and have its "kist o' whussles", as well as Episcopalian, Methodists, or Baptists. Nor do we imagine that the shade of John Knox, if it should happen to visit the glimpse of our brighter moon, would be greatly offended at the innovation.¹

Challenges to the "hegemony of the Presbyterians" thus date from an early period and these examples were penned for a journal usually regarded as an organ of the business elite.²

A few leading businessmen chose to become Presbyterians, notably Reynolds, Robert Wilson and Hyde Harris. But there were a considerable number of businessmen and runholders from Scottish backgrounds who had either been brought up as episcopalian or had forsaken Presbyterianism at some point in their lives. There are at least three examples among the "inner circle", namely Rattray, Russell and Ritchie. Larnach or his forbears might also have embraced Anglicanism while in the colonies. The very strength of Otago's Scottish heritage seemed to provoke an aesthetic reaction against Presbyterianism. This was certainly true in Ritchie's case. In 1875 he wrote jokingly to Galbraith:

We are just struggling out of the bonds of Scotticism, if not Presbyterianism, which has been weakening our High School & University, and not improving our social reputation: & it will never do [to] begin afresh to forge new fetters. This is you will say very good coming from a Scotchman - but we must not

¹ ODT, 3 November 1882.
be too much Scotch Irish & English in the colonies. It is better to be cosmopolitan.¹

Ritchie's boys were educated at Otago Boys High School, but Nichols, Rattray, Larnach and Neill sent sons to Christ's College in Canterbury. So too did some Presbyterian businessmen, among them John Cargill, William Tolmie and George Turnbull.² It seems that a position in society brought with it a taste for things English.³

The image of Dunedin as a city "dominated" by Presbyterians is a persistent one.⁴ This may give rise to speculation that there was a model of Presbyterian piety, reflecting the city's peculiar origins, against which the behaviour of the business community might be measured. The supposition proves not to be sound. The number of Presbyterians in the higher levels of Dunedin business was not so great as to define the outlook of the group as a whole. Many of the city's outstanding businessmen received spiritual guidance not on the pews of Knox Church (still less First Church), but at St Pauls or All Saints. Those who sought none may well have been numerous. Even among Presbyterian capitalists, there is little evidence of a distinctive or publicly espoused commercial morality in the period following the goldrushes.

---

¹ Ritchie to Galbraith, 20 January 1875, p. 329, Ritchie Papers.
³ The popularity of Anglican schools has also been noted in a Victorian context. De Serville attributes the tendency to abandon Presbyterianism to growing worldliness attendant upon material success". P. de Serville, Pounds and Pedigrees, p. 173.
CONCLUSION

Part One concerned the identification of a business community and the reasons for selecting 1870 as the focal date. Although still in recession, the Otago economy in 1870 was soon to begin a new phase of prosperity driven by its principal exports, gold and wool. Economic conditions in the 1870s were comparable to the Auckland boom of the early 1880s. A survey of the major branches of commerce suggests the general outline of the business community and reveals the importance of a small group of men that has here been labelled the "inner circle". This "inner circle" occupied a position in Otago business similar to that of the "limited circle" in Auckland. The composition of Otago's business community was determined by a dramatic shaping and reshaping of the Provincial economy, first by the goldruses and then by the depression later in the decade. The 1870s could scarcely be described as a period of great stability, but its years of prosperity allowed the business world to consolidate and a series of corporate ventures reinforced the growing sense of unity. There were, however, limits to this unity. Already some deep divisions had emerged and these continued to be more apparent in Dunedin than in Auckland.

Like their counterparts elsewhere in Australasia, Dunedin businessmen wrestled with the problems of status and respectability in the uncertain social conditions of the colonies. Society had been kept in a state of flux during the 1860s and, so far as can be judged from the sources, the business community was not organised around a stable nucleus inherited from the Free Church colony. Rather, the upheavals of that decade had produced a confused pattern of social relations. It was argued in Part Two that by 1870, the social outlook of the business community reflected more obviously the cosmopolitan background of a large body of newcomers.

Political events also shaped the social development of the business community. The wool industry, in which the Province's most powerful businessmen were involved, was sensitive to developments affecting the tenure of the pastoralists. The late 1860s and early 1870s saw the conjunction of several menacing developments. A fall in wool prices stripped the profit from pastoral investments. Uncertainty about tenure and the depression in other branches of commerce reduced access to borrowed funds. At the same time, pressure was
growing to make more land available in the hundreds and increase settlement on the goldfields.

This combination of circumstances led the mercantile-pastoralist faction to oppose the creation of further hundreds and resist the enactment of a new law to provide for the sale of land on deferred payments. In the process, the business community became increasingly visible as a distinct element in Otago society. An influential symbolism emerged in which the Dunedin Club was identified as a centre of capitalist intrigue. The prominence of the "inner circle" was confirmed by these events, for this group supplied the leadership of the so-called "High Street" faction. This episode has been overlooked in earlier histories of Otago, but it must now be seen as an important stage in the political development of the Province. The link between the provincial era and the radical groupings of later decades is now more apparent.

It has usually been supposed that businessmen and pastoralists firmly controlled the Provincial Councils in the South Island. This was clearly not the case in Otago. By the late 1860s, runholders and their supporters were on the defensive. Their inability to dictate the course of politics at a critical time owed much to the strength of opposition from the goldfields and agricultural districts. This is also notable, for until now the political contribution of these areas has received scant recognition. Some major studies of this period have created the impression that the goldfields were little more than a colourful sideshow to the main events in Provincial politics.

Part Four demonstrated that the boom of the 1870s brought new threats as well as opportunities for the commercial community. In the fields of banking, pastoral finance and shipping, Otago businessmen reacted to the pressure of external competition and the erosion of their influence. These were activities in which the "inner circle" had long held sway, but their response to the changing climate of business was far from united. Indeed, one result was the division of the "inner circle" into factions. The resulting discord was carried into the management of some of the Province's largest business concerns.

The organisations that were penetrating the domain of the "inner circle" had close ties with Auckland's "limited circle" and the Bank of New Zealand. Through the study of these institutions in Otago, it is possible to form some idea of the differences between these groups. Broadly speaking, Otago had to defend itself against the intrusions of the NZLMACo and the New Zealand Shipping Company. It had also conceded the initiative in national politics, where significant
commercial advantages could be won. The political influence of the BNZ is seen in a new light when viewed from a southern perspective. Historians have been aware of the controversy surrounding this issue, but they have tended to dismiss it as - in the words of one writer - "an extraordinary feature of the colonial psyche", which was exaggerated for political effect.¹ This may have been partly true, but there is strong evidence that the Bank had a tight hold on the rulers of the country and used this to promote its business interests. The rumours had some foundation. They were, at least, so generally believed as to have a significant bearing on the business history of Otago.

Part Five examined the fortunes of the business community after the 1870s. Since the publication of Eldred-Grigg's, A Southern Gentry, and in contrast to the thesis advanced in Stone's history of Auckland business, there has been a tendency to view the most privileged groups in South Island society as insulated from the worst effects of the Long Depression. An examination of business conditions in Otago casts doubt upon the supposed prosperity of the rural and urban economies that is said to have sustained these "elites" during the 1880s. The history of the "inner circle" suggests that the experience of the Auckland and Dunedin business communities may not have been so divergent. Roughly half of the "inner circle" were seriously affected by the depression. Among the wider business community of 1870, failure or migration out of the Province was more common than the attainment of lasting wealth.

Although the concept of the business community has been kept distinct from that of an Otago "elite", there is sufficient similarity between the two to allow some comparisons to be drawn. This study of the business community of 1870 does not imply that the concept of an elite is inapplicable or irrelevant to the commercial world at that time. But an inquiry into the lives of individual businessmen suggests that some modifications will be helpful if the model is to be retained. Aspects of the concept that demand further exploration include: the business environment that supported this elite, the instability of its membership, contemporary perceptions of the elite, and factional divisions within the group. Unless the concept is strengthened by investigation of these matters, it will have the appearance of a static and preconceived category, and its explanatory force will be weakened.

¹ E. Bohan, Edward Stafford, p. 250.
Did the "elite" espouse a Presbyterian business ethic? Club membership is advanced in other studies as the clearest indicator of membership of the "elite". A survey of communicant rolls for the Presbyterian churches indicates that Presbyterians were not numerically dominant in the Dunedin Club during the 1860s and 1870s. Anglican members of the Club appear to have been more numerous and their outlook on business is unlikely to have been guided by Presbyterian theology. Within the higher echelons of society, there is significant evidence of hostility to Presbyterianism. This is not surprising when it is considered that the business community of 1870 had recruited many of its members from post-goldrush emigrants. Moreover, it should be noted that Otago's Presbyterians did not speak with one voice on the relationship between capitalism and morality. The opponents of the business faction in the Provincial Council included many who represented Presbyterian strongholds in the country districts.

In light of the material discussed in this thesis, it is possible to reflect on two tendencies in the writing of Otago history which have restricted our understanding of the business community. The first arises from a preoccupation with the distinctive aspects of the Province's development. The two leading histories of Otago - by Olssen and McLintock - have both addressed the issue of provincial identity and best exemplify this trend. In striving to highlight what is unique about Otago's past, there is a risk of neglecting characteristics which the province shared with other colonial societies.

Olssen tacitly acknowledges this, but there must be some doubt that his depiction of the business "elite" adequately compensates for this danger. Thus, the "elite" of the Free Church Colony is assumed to have imposed its stamp upon the "elite" of the 1870s. De Serville's research shows that the nature of Victoria's upper class changed significantly after the goldrushes and the old elite relinquished its ascendancy. The conclusion here is that the transformation of the business community points to a similar process in Otago. Olssen also elevates the strong Presbyterian influence, which was obviously a special feature of Otago - to a dominant influence on the business "elite". The evidence does not support this interpretation, which may be another outcome of the concern to emphasise what is unusual about Otago.

---

1 E. Olssen, A History of Otago, p. xiii.
2 P. de Serville, Pounds and Pedigrees, pp. 18, 19, 21, 37, 41. Port Phillip Gentlemen, Melbourne, 1980, pp. 16, 150, 165.
The second and more important tendency originates with Eldred-Grigg's *A Southern Gentry*. Eldred-Grigg has stressed the breeding, wealth, durability and sustained political power of the South Island gentry. Viewed against the upper classes of other Australasian colonies, these are qualities which make the southern gentry appear exceptional. It seems that Eldred-Grigg's interpretation has also influenced perceptions of the Otago business community. We are left with an image of the business community which is hard to reconcile with the history of its Auckland rival, and with the writings of de Serville, Davison and Katz. If the history of the southern gentry and the Dunedin business "elite" was indeed so different from the pattern in other colonial societies, this ought to have been apparent in the evidence considered here. Instead we find strong similarities with the business community of Auckland, the elites of Melbourne, and the "entrepreneurial class" of Hamilton. On this evidence, there is a strong case for arguing that Otago fits more comfortably in the mainstream of colonial historiography than the existing literature would lead us to suppose.

It is too early to present a developed theory of the rise and decline of an "elite" in Otago. The results of this study indicate that such an explanation will not be possible until the composition of the elite has been more tightly defined and the lives of its individual members have been diligently explored.
APPENDIX 1

TABLE SHOWING THE VALUE OF EXPORTS FROM OTAGO: 1861-1887

Source: Statistics of New Zealand
### CENSUS OF NEW ZEALAND, FEBRUARY, 1871.—No. 13.


<table>
<thead>
<tr>
<th>Province of Auckland</th>
<th>Trades, Commerce, and Manufacturers</th>
<th>Agriculture and Pastoral</th>
<th>Mechanics, Artificers, and Skilled Workers</th>
<th>Mining</th>
<th>Clerical Professions</th>
<th>Legal Professions</th>
<th>Medical Professions</th>
<th>Teaching</th>
<th>Surveyors</th>
<th>Other Professional</th>
<th>Labourers</th>
<th>Domestic and General Servants</th>
<th>Miscellaneous</th>
<th>Manufacturers</th>
<th>No Occupation</th>
<th>Stated ( Principally Women and Children )</th>
<th>TOT. OF POP.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,035</td>
<td>4,062</td>
<td>4,691</td>
<td>3,473</td>
<td>93</td>
<td>71</td>
<td>83</td>
<td>333</td>
<td>94</td>
<td>103</td>
<td>3,465</td>
<td>1,539</td>
<td>1,015</td>
<td>1,019</td>
<td>38,413</td>
<td>82,335</td>
<td></td>
</tr>
<tr>
<td>Taranaki</td>
<td>129</td>
<td>483</td>
<td>273</td>
<td>1</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>23</td>
<td>7</td>
<td>14</td>
<td>313</td>
<td>101</td>
<td>287</td>
<td>37</td>
<td>2,617</td>
<td>4,480</td>
<td></td>
</tr>
<tr>
<td>Wellington</td>
<td>998</td>
<td>2,081</td>
<td>1,591</td>
<td>10</td>
<td>46</td>
<td>28</td>
<td>34</td>
<td>130</td>
<td>45</td>
<td>20</td>
<td>1,452</td>
<td>521</td>
<td>718</td>
<td>165</td>
<td>16,151</td>
<td>24,601</td>
<td></td>
</tr>
<tr>
<td>Hawke's Bay</td>
<td>991</td>
<td>588</td>
<td>219</td>
<td>6</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>30</td>
<td>11</td>
<td>7</td>
<td>633</td>
<td>260</td>
<td>357</td>
<td>87</td>
<td>3,404</td>
<td>6,059</td>
<td></td>
</tr>
<tr>
<td>Nelson</td>
<td>936</td>
<td>1,103</td>
<td>1,172</td>
<td>91</td>
<td>22</td>
<td>16</td>
<td>25</td>
<td>107</td>
<td>23</td>
<td>18</td>
<td>911</td>
<td>333</td>
<td>692</td>
<td>160</td>
<td>15,049</td>
<td>22,501</td>
<td></td>
</tr>
<tr>
<td>Marlborough</td>
<td>170</td>
<td>542</td>
<td>237</td>
<td>7</td>
<td>4</td>
<td>7</td>
<td>31</td>
<td>7</td>
<td>3</td>
<td>14</td>
<td>352</td>
<td>29</td>
<td>175</td>
<td>160</td>
<td>3,117</td>
<td>5,255</td>
<td></td>
</tr>
<tr>
<td>Canterbury</td>
<td>1,532</td>
<td>4,718</td>
<td>2,376</td>
<td>107</td>
<td>61</td>
<td>36</td>
<td>34</td>
<td>268</td>
<td>38</td>
<td>49</td>
<td>3,477</td>
<td>1,615</td>
<td>1,402</td>
<td>454</td>
<td>30,394</td>
<td>48,301</td>
<td></td>
</tr>
<tr>
<td>County of Wellington</td>
<td>1,273</td>
<td>158</td>
<td>922</td>
<td>2,165</td>
<td>13</td>
<td>9</td>
<td>17</td>
<td>43</td>
<td>17</td>
<td>14</td>
<td>342</td>
<td>371</td>
<td>679</td>
<td>197</td>
<td>6,142</td>
<td>15,387</td>
<td></td>
</tr>
<tr>
<td>Province of Otago (as before Reunion with Southland)</td>
<td>3,688</td>
<td>7,500</td>
<td>3,647</td>
<td>7,192</td>
<td>74</td>
<td>42</td>
<td>40</td>
<td>342</td>
<td>37</td>
<td>70</td>
<td>2,730</td>
<td>1,927</td>
<td>2,310</td>
<td>574</td>
<td>33,541</td>
<td>60,722</td>
<td></td>
</tr>
<tr>
<td>Province of Southland (as before Reunion with Otago)</td>
<td>335</td>
<td>1,203</td>
<td>480</td>
<td>194</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>40</td>
<td>6</td>
<td>12</td>
<td>402</td>
<td>273</td>
<td>213</td>
<td>69</td>
<td>5,360</td>
<td>8,769</td>
<td></td>
</tr>
<tr>
<td>Chatham Islands</td>
<td>2</td>
<td>48</td>
<td>6</td>
<td>48</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>40</td>
<td>6</td>
<td>12</td>
<td>402</td>
<td>273</td>
<td>213</td>
<td>69</td>
<td>5,360</td>
<td>8,769</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>11,079</td>
<td>20,587</td>
<td>10,026</td>
<td>21,226</td>
<td>347</td>
<td>229</td>
<td>279</td>
<td>1,337</td>
<td>202</td>
<td>303</td>
<td>14,312</td>
<td>7,017</td>
<td>8,651</td>
<td>3,032</td>
<td>131,450</td>
<td>226,303</td>
<td></td>
</tr>
</tbody>
</table>

Under the above Headings are included the following Numbers of Females, compiled from the Household Schedules:—"Trade, Commerce, and Manufactures," 861; "Agricultural and Pastoral," 563; "Mechanics, Artificers, and Skilled Workers," 1,571; "Teachers," 743; "Domestic and General Servants," 5,392; "Miscellaneous," 1,551. In addition to these, the Schedules show 27,873 described as engaged in "Domestic Duties;" but the Numbers so described are evidently very incomplete.

**APPENDIX 2 - CENSUS INFORMATION: 1871**
## CENSUS OF NEW ZEALAND, FEBRUARY, 1871.—No. 14.

**Table showing Centisimally the Distribution of Occupations Among the Population (exclusive of Aboriginal Natives) in New Zealand, in February, 1871, (According to the Numbers Shown in the Preceding Table, No. 13).**

<table>
<thead>
<tr>
<th>Province of Auckland</th>
<th>...</th>
<th>474</th>
<th>6.50</th>
<th>7.31</th>
<th>8.37</th>
<th>0.40</th>
<th>1.07</th>
<th>5.18</th>
<th>8.24</th>
<th>1.08</th>
<th>61.62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taranaki</td>
<td>...</td>
<td>2.63</td>
<td>10.78</td>
<td>6.09</td>
<td>0.62</td>
<td>0.45</td>
<td>1.07</td>
<td>0.99</td>
<td>2.25</td>
<td>5.02</td>
<td>62.08</td>
</tr>
<tr>
<td>Wellington</td>
<td>...</td>
<td>4.12</td>
<td>8.89</td>
<td>6.64</td>
<td>0.67</td>
<td>0.45</td>
<td>1.07</td>
<td>0.99</td>
<td>2.25</td>
<td>5.02</td>
<td>67.29</td>
</tr>
<tr>
<td>Hawke's Bay</td>
<td>...</td>
<td>4.24</td>
<td>8.88</td>
<td>6.62</td>
<td>0.60</td>
<td>0.43</td>
<td>0.79</td>
<td>10.45</td>
<td>4.29</td>
<td>6.78</td>
<td>51.17</td>
</tr>
<tr>
<td>Nelson</td>
<td>...</td>
<td>4.42</td>
<td>10.03</td>
<td>5.21</td>
<td>0.65</td>
<td>0.43</td>
<td>0.79</td>
<td>0.99</td>
<td>1.01</td>
<td>3.47</td>
<td>55.51</td>
</tr>
<tr>
<td>Marlborough</td>
<td>...</td>
<td>3.25</td>
<td>10.36</td>
<td>4.01</td>
<td>0.90</td>
<td>0.35</td>
<td>0.79</td>
<td>9.33</td>
<td>0.67</td>
<td>1.06</td>
<td>64.12</td>
</tr>
<tr>
<td>Canterbury</td>
<td>...</td>
<td>3.28</td>
<td>10.03</td>
<td>5.51</td>
<td>0.28</td>
<td>0.28</td>
<td>0.76</td>
<td>7.43</td>
<td>3.45</td>
<td>3.00</td>
<td>51.99</td>
</tr>
<tr>
<td>Province of Otago (as before Re-union with Scotland)</td>
<td>...</td>
<td>6.50</td>
<td>1.03</td>
<td>5.61</td>
<td>4.02</td>
<td>0.25</td>
<td>0.22</td>
<td>4.29</td>
<td>4.42</td>
<td>1.28</td>
<td>55.21</td>
</tr>
<tr>
<td>Otago (as before Re-union with Otago)</td>
<td>...</td>
<td>4.63</td>
<td>11.40</td>
<td>3.51</td>
<td>0.27</td>
<td>0.27</td>
<td>0.71</td>
<td>5.62</td>
<td>2.26</td>
<td>2.26</td>
<td>51.12</td>
</tr>
<tr>
<td>Chatham Islands</td>
<td>...</td>
<td>1.30</td>
<td>3.08</td>
<td>4.51</td>
<td>0.75</td>
<td>0.75</td>
<td>0.75</td>
<td>6.02</td>
<td>2.26</td>
<td>2.26</td>
<td>46.62</td>
</tr>
<tr>
<td>Average for the Colony</td>
<td>...</td>
<td>4.32</td>
<td>8.03</td>
<td>6.25</td>
<td>6.28</td>
<td>0.33</td>
<td>0.76</td>
<td>5.38</td>
<td>2.74</td>
<td>3.47</td>
<td>51.06</td>
</tr>
</tbody>
</table>
APPENDIX 3

MEMBERS OF THE BUSINESS COMMUNITY

This Appendix contains a list of businessmen who were not members of the "inner circle" described in Volume One, but who were important figures in the wider business community of the 1870s. The list has been compiled from:

A. the provisional directorates of the Colonial Bank, the National Insurance Company, the Union Steam Ship Company and the Westport Coal Company;

B. members of the Dunedin Club during the 1860s and 70s;

C. a selection of businessmen from the major branches of trade listed in Wise's 1871 Directory.

Businessmen who appear in more than one category are identified only once. Those listed in Appendix 10 and Appendix 38 are excluded. Estate valuations have been procured either from probate files at the Dunedin and Invercargill High Courts or from the testamentary registers of the Inland Revenue Department. Valuations from the latter source have been preferred.

A. PROVISIONAL DIRECTORS

The Colonial Bank 1874

The Provisional Directorate of the Colonial Bank was widely advertised in the latter part of 1874. With the later addition of Joseph Clarke of Melbourne, it contained ninety names. Nine of these men were members of the "inner circle", thirteen were runholders whose
biographies appear in Appendix 10 and seven were in the directorate apparently because of their prominence in outlying districts or in politics rather than business. These men have been excluded from the analysis. A further five men have been excluded for lack of information.

1 Barron, William

William Barron was born in St Andrews in 1837 and educated in parish and public schools. He had some training for commercial life in Edinburgh and arrived in New Zealand in 1861. He spent eighteen months on the goldfields as a miner and storekeeper. Barron subsequently became senior partner in the firm of Barron & Campbell, later Barron Grant & Co, merchants and runholders. He retired in 1874 and from 1879-90 was MHR for Caversham. Barron died in 1918. He was a senior Freemason.¹ His estate was valued at £13,300.²

2 Barton, G.E.

See Appendix 38.

3 Bastings, Horace

See Appendix 38.

4 Bathgate, John

John Bathgate's sons-in-law were J.E. Denniston (a lawyer and brother of G.L. Denniston of Neill & Co), Edward Melland of Te Anau Downs station, Gibson Kirke Turton and a son of Dr Buchanan. A son married Fanny Gibson Turton, who appears to have been related to Gibson Kirke Turton.

Bathgate's business fortunes went into decline in the 1880s. The New Zealand Mortgage & Investment Association, which he had helped to float, was not a successful venture. His partnership in the Evening Herald with Thomas Bracken led to further loss.

The plant of the Evening Herald was sold for £900. Its losses were stated to have been £27,000 and, for Bracken, the only option was bankruptcy. Bathgate died in 1886. His estate was described in taxation records as "Bankrupt".

5 Birch, Thomas

Thomas Birch, a successful brewer, was born in Fortrose in 1825 and arrived in New Zealand in 1852. He is said to have erected the first house in Invercargill. He was a Member of the Provincial Council and a Member of the House of Representatives for Dunedin City and served as a Provincial Immigration Agent. The Otago Witness of 2 February 1861 contains an account of his working life in Otago. In 1868, he was involved in a boycott of James Copeland's beer. Birch died in March 1880.
6  Burt, Alexander

Burt was born in 1840 at Camelon, Stirlingshire, the son of a nailmaker. In 1859 he and his brother Thomas were on the Victorian gold diggings. They joined the rush to Gabriel's Gully in 1861 and later mined successfully at Dunstan. The brothers began a plumbing and engineering business, which employed about 300 staff by the turn of the century.\(^1\) Alexander died in 1920 and his estate realised £91,006.\(^2\) Thomas Burt died in 1884 and the net value of his estate was £16,827.\(^3\)

7  Burton, W.J.

Walter Burton, a Freemason, arrived in Otago in 1866 and established a photographic business. He committed suicide, apparently as a result of financial worries and other problems.\(^4\) No death duty was paid on his estate.\(^5\)

8  Butterworth, J.L.

John Leach Butterworth was born in Rochdale, Lancashire, and appears to have come to New Zealand directly from England in 1862, although another report states that he was formerly resident in Victoria.\(^6\) Butterworth Brothers was a large importing house which was incorporated in 1888. John Leach Butterworth died in 1890. His Probate File (1906, Dunedin High Court) contains no valuation of his estate, but the deceased contemplated leaving legacies of £12,000 to each of his

---

2  AAEC 638/106, National Archives.
3  Probate File 1174, Dunedin High Court.
4  H. Knight, Burton Brothers Photographers, Dunedin, 1980, p. 22.
5  AAEC 638/94, National Archives.
6  ODT, 15 September 1934.
daughters.\footnote{Otago Witness, 24 April 1890.} He was recorded in tax records as having nil assets.\footnote{AAEC 638/96, National Archives.} Robert Leach Butterworth died in 1880 and his Probate File (1125, Dunedin High Court) records that his estate was worth £29,095.

9 Campbell, Daniel

Daniel Campbell is said to have been connected with the Otago Daily Times & Witness Company for the first thirty years of its existence and he was managing director during the mid-1870s. He was also the owner of the Arcade for several years.\footnote{Cyclopedia of New Zealand. Vol. 4, p. 110. The Otago Daily Times and Witness Otago Settlement Jubilee Number, 1898, p. 31. Bruce Herald, 30 July 1875.} Campbell suffered reverses in the 1880s. He was declared bankrupt and fled the colony for a time to escape the pressure of his creditors.\footnote{Insolvency File 1233 (1880-87 register), Dunedin High Court. Otago Witness, 21 July 1883 (supplement). Mercantile Gazette, 21 July 1883.} He died in Dunedin on 21 July 1900 and his estate was valued at less than £300.\footnote{Probate File 4298, Dunedin High Court.}

10 Chapman, C.R.

Charles Robert Chapman, the son of Robert Chapman of Edinburgh, came to Otago in 1848 on the "Blundell". He was articled to Macassey in 1866 and later to E.P. Kenyon. He went into practice on his own account in 1873. He died on 15 August 1928 and his estate was valued at under £6,000.\footnote{Probate File 11151, Dunedin High Court. Cyclopedia of New Zealand. Vol. 4, pp. 105, 238.}

11 Clowes, T.A.

Thomas Arthur Clowes was a merchant in partnership with James Ashcroft. The firm's operations were based in Oamaru. Clowes was involved in wheat speculations with Ashcroft, Hibbard and George

\begin{footnotesize}
\begin{enumerate}
\item Otago Witness, 24 April 1890.
\item AAEC 638/96, National Archives.
\item Insolvency File 1233 (1880-87 register), Dunedin High Court. Otago Witness, 21 July 1883 (supplement). Mercantile Gazette, 21 July 1883.
\item Probate File 4298, Dunedin High Court.
\item Probate File 11151, Dunedin High Court. Cyclopedia of New Zealand. Vol. 4, pp. 105, 238.
\end{enumerate}
\end{footnotesize}
Turnbull, which resulted in his bankruptcy in 1874. Reid lost £4,000 in the speculation. The Mercantile Gazette of 11 October 1884 records a bill of sale over his household chattels to William Gabriel Filleul. He died in 1885 and his Probate File (116 Oamaru series, Dunedin High Court) gives no indication of his assets at the date of his death.

12 Connell, John Aitken

Connell was born in Ayrshire in 1841 and educated in Glasgow. He arrived in Auckland in 1858 and went to Dunedin several years later, where he was in business as a surveyor and land agent for some twenty years. His firm, Connell & Moodie, was sold to the Perpetual Trustees Estate & Agency Company in 1884. He retained an interest in this company until 1887, when he returned to Auckland. He died on 21 August 1891 and his estate was valued at £1,720.

13 Copeland, James

James Copeland, brewer, of Marshall and Copeland, arrived in Otago in 1861. He was made bankrupt in 1875. He died the same year, and it was said his death was brought on by business anxieties. His insolvency is

1 Ritchie to Russell, 23 June 1874, p. 88, Ritchie Papers.
2 Ritchie to Russell, 23 June 1874, p. 88, Ritchie Papers.
4 The dividend from his bankrupt estate is reported in the Mercantile Gazette, 24 June 1876.
5 Southern Mercury, 19 November 1875.
reported to have cost the National Bank some £10,000.\(^1\) Copeland was an Anglican. His deceased estate was valued at under £1,100.\(^2\)

14 **Cutten, W.H.**

William Henry Cutten was born in London. He arrived on the "John Wickliffe" and married a daughter of Captain Cargill. He was at various times a merchant, editor of the *Otago Witness* and Commissioner of Crown Lands. Cutten died in 1883. His estate was valued at £47,704.\(^3\)

15 **Douglas, John**

John Douglas was the son of a Strathmore farmer and had experience in the office of a lawyer and factor in Scotland. His firm, Douglas Alderson & Co, acted as agents for the New Zealand & Australian Land Company until 1870. Douglas acquired some large properties in this period and Ritchie estimated his wealth at around £80-100,000 in 1874.\(^4\) Douglas died on 12 August 1903 and his Probate File (4396, Dunedin High Court) suggests that A.C. Begg was his nephew. His estate was valued at £95,856.\(^5\)

John Douglas married a daughter of Thomas Rattray of Brewlands, Perthshire in 1863. She died one year later and he subsequently married a daughter of David Stark of Dunedin.

16 **Fish, H.S.**

Fish was born in London in 1838. His father was a painter. In 1849, the family moved to Melbourne. Fish accompanied his father to the Ovens diggings. They came to Otago around 1863 and set up business as painters.

\(^1\) Murdoch to Larkworthy, 30 August 1875, Larkworthy Papers.
\(^2\) Probate File 487, Dunedin High Court.
\(^3\) AAEC 638/95, National Archives.
\(^4\) Ritchie to Hunter, 3 February 1874, Ritchie Papers.
\(^5\) AAEC 638/99, National Archives.
and glaziers. In 1867, Fish married Jane Carr at St Paul's Church. He died in 1897 and his estate realised £2,282.1

17 Flaxman, C.W.

Flaxman was a woolbuyer. A note from W.C. Roberts of the BNZ to Larkworthy in 1875 suggests that Flaxman's financial affairs were becoming involved:

I do not think Flaxman will draw again on his credit at all events not thro' us - in fact the Loan Coy (by Driver) has taken him up - He is no good (altho Driver will make it safe enough & it will be a good connection) his place was recently destroyed by fire & under such circumstances that I don't care to have anything more to do with him - we got pd an overdraft of £4,000 from the fire policies & here (so far as advances are in question) closed the a/c.
Morrison may have some trouble to get paid some £5,000 Flaxman owes him but I believe the man is worth seven of eight thousand pounds or more & quite able to pay everyone - but he is a shifty unreliable untruthful fellow.2

An account of the fire at Flaxman's tannery was published in the ODT on 4 August 1875. An inquiry exonerated him of any blame.3 Flaxman disappeared from the Dunedin street directories in 1883-84.

18 Gillies, Robert

Robert Gillies, son of John Gillies senior, was born in 1836. He attended the University of Glasgow, but abandoned his studies to join his father in New Zealand. He served in the Provincial Survey Department and in 1861 joined C.H. Street as land agents and surveyors. Gillies married

2 W.C. Roberts to Larkworthy, 2 August 1875, Larkworthy Papers.
3 ODT, 4 August 1875.
Street's daughter and died in 1886.\(^1\) He was a large shareholder in the Westport Colliery Company and WCC.\(^2\) His assets were worth £50,429.\(^3\)

19 **Glendining, R.**

Robert Glendining was born in Dumfries and died on 23 June 1917. His deceased estate was sworn to be under £360,000.\(^4\) Glendining arrived in 1860 to work for Alexander Mollison, who had started a drapery business. Ross & Glendining was established in 1862. Ross provided £1,906 capital and Glendining contributed £1,500 of borrowed funds.\(^5\)

In later years, Ross recalled that he came to Otago with £50. He had worked in a meal factory in Caithness for wages and considered that he had had a hard upbringing.\(^6\) Ross died on 5 January 1927. His Probate File (10296, Dunedin High Court) records that his estate was sworn at £253,877. Glendining's estate realised £377,780.\(^7\)

20 **Haggitt, Bryan Cecil**

Haggitt was born in Toronto, Canada, the son of D'Arcy Haggitt, a solicitor. The family soon removed to Hobart, where Bryan was admitted to the bar in 1861. In 1862 he moved to Dunedin where he practised law. He held the position of Provincial Solicitor in the late 1860s and early 1870s and became a prominent member of the Dunedin bar. He was also Chancellor of the Anglican Diocese of Dunedin. His first wife was a daughter of W.G. Robertson of Tasmania and his second wife was a

---

\(^1\) ODT, 16 June 1886.
\(^2\) Richard Maxwell to Steele, 9 September 1881, p. 320, Richard Maxwell Letters, National Bank Archives.
\(^3\) AAEC 638/95, National Archives.
\(^4\) Probate File 4194, Dunedin High Court.
\(^5\) Company History, Ross & Glendining Papers, Hocken Library.
\(^6\) Personal Reminiscences of Sir John Ross (recorded by his daughter), Ross & Glendining Papers.
\(^7\) AAEC 638/106, National Archives.
daughter of W.A. Tolmie. Haggitt died on 31 January 1898.\(^1\) His estate realised £10,635.\(^2\)

21 **Harris, John Hyde**

As noted in Volume One, John Hyde Harris struggled financially after his insolvency. His son, John Edward Hyde Harris, became bankrupt in 1880 and Harris himself suffered the indignity of being imprisoned over a debt he had assumed on behalf of the Freemasons in 1885.\(^3\) He died the next year.\(^4\) His estate realised £100.\(^5\) See Appendix 26 for further details.

22 **Hazlett, James**

James Hazlett was born in Ireland in 1822. He emigrated to Victoria in 1854 and was in business on the diggings. Hazlett died on 31 July 1913. His estate realised £128,386.\(^6\) William Fraser and Latham Beal were executors.\(^7\)

23 **Hodgkins, W.M.**

William Mathew Hodgkins, of the legal firm Howorth & Hodgkins, was born in Liverpool in 1833. His family had been brushmakers for two generations. The emigrated to Victoria in the early 1850s and Hodgkins arrived in Dunedin in 1862. He was admitted to the bar in 1868.\(^8\) Hodgkins was declared bankrupt in 1888.\(^9\) The firm had run into trouble

---

\(^2\) AAEC 638/95, National Archives.
\(^4\) *Otago Witness*, 3C July 1886.
\(^5\) AAEC 638/97, National Archives.
\(^6\) AAEC 638/103, National Archives.
\(^7\) For further information, see S.J. Piesse, "MacKerras and Hazlett", B.A. (Hons.) long essay, 1971, Hocken Library.
\(^9\) *ODT*, 3 March 1888.
over the use of trust funds in 1884, though unsuccessful mining
speculations were a more direct cause of Hodgkins' downfall. 

He died on 9 January 1898 and his Probate File (668, Dunedin High Court) reveals nothing about the size of his estate. The early letters of his daughter, Frances, afford interesting glimpses of social life in Dunedin towards the turn of the century.²

24 Howden, C.R.

Charles Ritchie Howden was born in 1838, the son of an Edinburgh merchant. He was educated at the Edinburgh Academy and came to New Zealand around 1861.³ Howden's distillery is described in the Evening Star of 25 October 1869. The Albion Brewery Company took over the plant of the Distillery Company after the Government had paid it to cease operations. The provisional directors included Larnach, Driver, Proudfoot, G.W. Eliott, Job Wain, Robert Wilson and W.D. Murison. Around this time his bank manger, W.C. Roberts, wrote:

he is said to be worth now some £15,000 made chiefly thro' the
NZ Distillery - he has some interest in some run & has some
property about &c &c. He is a nice gentlemanly fellow, but we
have exercised care... in our operations with him & his partner
Robertson (who goes home next mail or so also with means)
The distillery is now closed & turned into a brewery in which
Robertson & Howden have a large interest - & which
meantime is right enough.⁴

---

1 [Reference]


3 R. Pinney, South Canterbury Runs, p. 85.

4 Roberts to Larkworthy, 26 August 1875, Larkworthy Papers.
The Company made a series of losses, culminating with a deficit of £10,000.\(^1\) Howden died in 1928.\(^2\) He had assets of less than £3,000.\(^3\)

25 **Hulme, Dr Edward**

Dr Hulme was born in Hyde, Kent, in 1812 and was a half brother of Colonel Hulme. He was a pupil at Middlesex Hospital under Sir Charles Bell, the famous Scottish anatomist. He arrived in Otago in 1856 with the intention of engaging in pastoral pursuits, but acted as Provincial Surgeon for ten years. He died on 17 December 1876.\(^4\)

26 **Jones, John Richard**

John Richard Jones was a son of John Jones. He died in 1911. His widow stated that he had never been engaged in business, and it appears that a directorship of the USSCo (in which company he held 1,000 shares in 1908) was the extent of his business activities. He had been paralysed for eleven to twelve years before his death. His estate realised less than £4,500.\(^5\) One of his daughters married a son of Alexander McMaster.

27 **Kennedy, William**

William Kennedy came to Otago from Victoria in 1862. He was for some years in partnership with a Mr Moody as hotel proprietors, then turned his attention to land speculation "and did remarkably well, especially with the property on the flat in which he was interested."\(^6\) He left Otago for New York and died in South Kensington, London, in 1888 at the age of fifty-three. At that time he had property worth £32,989 in New Zealand.

---

2 *Otago Witness*, 4 September 1928, p. 27.
3 Probate File 11182, Dunedin High Court.
5 Probate File 1305, Dunedin High Court. AAEC 638/102, National Archives.
6 *ODT*, 30 August 1888.
Zealand and £31,973 in England. His purchase of the Arcade in Dunedin for £15,000 was announced in 1883.

Leary, R.H.

Richard Henry Leary was born in Middlesex in 1840. In 1861 he arrived in Dunedin from Victoria, where he had been engaged in the timber trade, and acted as manager for Robert Wilson before entering business with Horace Bastings. He was also at one time accountant for Driver & MacLean. Leary’s bankruptcy was announced in 1865 (at which time he was in partnership with John McClean in mercantile business) and it seems that he was not in a strong financial position in the 1880s. In 1887, the NZLMACo considered its chances of recovering an advance of £1,075 which Leary had guaranteed:

we have been pressing Mr Leary (who is at present mayor of Dunedin) to make some payment on account of the guarantee. This he has declared himself unable to do, but after prolonged pressure has made an offer of £100 case in consideration of discharge from his liability... with regard to Mr Leary’s connexion with the Glenledi Estate Coy Ld as he held fully paid up shares in this farming concern, we cannot make him personally liable for deficiency on the account, & as it is fully believed his present means are very limited, and it is no considered 'politic' to make him bankrupt, it is recommended that the Coy accept the £100 in full satisfaction of our claims upon him.

Leary died on 16 May 1895. His Probate File (2720, Dunedin High Court) contains no estate valuation. No death duty was paid on his estate.

1 Probate File 1675, Dunedin High Court. His assets attracted death duty on the sum of £35,720. AAE638/96, National Archives.
2 Mercantile Gazette. 21 July 1883.
3 ODT, 24 June 1895.
4 Otago Gazette, 1865, pp. 185, 188, 228. Otago Witness, 26 August 1865, p. 11. Otago Workman, 29 October 1887.
5 NZLMA Co Minutes, 25 May 1887.
6 AAE638/97, National Archives.
29 McGregor, John

McGregor was born in Fifeshire in 1838 and trained as a harbour engineer, gaining experience in Liverpool.¹ After the troubles over his land purchases in South Canterbury, McGregor became engineer to the Auckland Harbour Board, but was dismissed in 1888. He went to Reefton, where he died in 1911.² In 1887, the NZLMACo attempted to recover a small advance of £765 which he had been given some years earlier on the basis of an undertaking to mortgage certain land. It afterwards appeared that this land had been mortgaged to other parties.³ McGregor wrote to the Company "reciting that he has no means whereby to meet his liability and explaining how he is very much involved."⁴ The Loan Company resolved to keep the liability alive without further pressing McGregor in the meantime.⁵

30 MacNeil, Hugh

Hugh MacNeil was born in Glasgow in 1832. At the age of twenty-nine he was sent to Melbourne as a manager for Briscoes. Around 1864, he came to establish the firm in Otago. He died in Sydney in 1900, but his Probate File (3709, Dunedin High Court) contains no valuation of his estate.⁶ Two of his sons were partners of Briscoes in Australia and another son owned a large sheep station in New South Wales.⁷ One daughter is named as Edith Briscoe Moore; her share of the inheritance was contingent upon her remaining Protestant.

¹ R. Pinney, South Canterbury Runs, p. 84.
² R. Pinney, South Canterbury Runs, p. 127.
³ NZLMACo Minutes, 6 April 1887.
⁴ NZLMACo Minutes, 27 April 1887.
⁵ NZLMACo Minutes, 27 April 1887.
⁶ He was buried in Dunedin’s Northern Cemetery.
⁷ Cyclopedias of New Zealand, Vol. 4, p. 389.
31 Marshall, James

James Marshall came to Victoria in 1852. He was a storekeeper on the
goldfields for fifteen years and was especially well known at Kangaroo
Flat, Inglewood and Dunolly, where, under the title of J. Wilson & Co, he
was the partner of James Wilson and James Craig.¹

John Marshall, an older brother, was born in County Antrim and brought
to Scotland as a young boy. (The family lineage is described in Burke's
Colonial Gentry, p. 692.) He was chief mate on a Clyde ship trading
between Russia and the Mediterranean. In 1851, with his half brother
William Montgomery, he went to Victoria and engaged in storekeeping
at Bendigo. He met Copeland in Australia and came to Dunedin in 1861
to establish the Marshall & Copeland Brewery: "Some, maybe, remember
Marshall as he went about his business; always top-hatted, and wearing
thigh high sea boots which were invariably kept meticulously polished."²

The following analysis of the state of the Marshall & Copeland Brewery
was made by their bankers in 1882.

OD & promissory notes £30,000  discounts £20,000. Though
they show a surplus of £30,000... there are several indications of
a decaying concern. Overhaul their entire assets thoroughly &
find out for yourself what the real value of them is. If a/c not
reduced in next 3 months... it must be peremptorily pulled up.³

James Marshall died in 1883 of Bright's disease.⁴ His Probate File (1057,
Dunedin High Court) states that he owned two thirds of the brewery,
which was his principal asset. (The inventory records that James Craig
was a sub-partner and James Marshall was entitled to only one third of
the company). The brewery was in liquidation and it was reported that

³ Murray to Dunedin Manager, 15 July 1882, BNZ Archives.
⁴ Otago Witness, 21 July 1883, p. 22.
nothing would be realised for the benefit of the estate, which was described in tax records as "bankrupt".¹

John Marshall held the remaining third of the company. He died in 1903.²

32 Murray, R.K.

Robert Kinniburgh Murray was born in 1820 in Edinburgh, where he established a confectionery business in 1843. He came to Dunedin in 1858 and set up a large sugar boiling plant in Maclaggan St. He also owned hotel property.³ He contracted to sell his business to Thomas Broadway in 1882, but it seems that this agreement was not completed.⁴ R.K. Murray & Sons was floated as a limited liability company in 1885, but the venture was a failure. Robert Graham Murray, a partner in the firm, was declared bankrupt in 1886.⁵ R.K. Murray left for Melbourne in 1888. He confessed that "[H]e had become prosperous repeatedly but was not endued [sic] with the capacity to keep what he had made."⁶

¹ AAEC 638/95, National Archives.
² ODT, 10 October 1903.
³ *Cyclopedia of New Zealand*, Vol. 4, p. 112.
⁴ ODT, 28 March 1882.
⁵ *Mercantile Gazette*, 30 January 1886.
⁶ ODT, 5 September 1888.
R.K. Murray died in 1903. His Probate File (1905, Dunedin High Court) contains no valuation of his estate.

33 **Park, William**

Park was a tinsmith and carried on business under the style of Park & Curle. James Dawson was advertised as a member of the firm in the 1880s. Park died on 18 September 1885. His estate was valued at £3,351.\(^1\) Local papers do not appear to have published an obituary.\(^2\) John Curle died in 1888 and his estate realised £1,036.\(^3\)

34 **Paterson, The Hon. James**

Paterson was born in Edinburgh in 1807 and served as an apprentice to a saddler. He went to British Guiana in 1838 and was in business for some years in Georgetown. In 1851 he returned to Scotland and after two years left for Otago. Arriving in 1854, he commenced a general business with his brother-in-law, George Hepburn. The firm later took over the business of Macandrew & Co. Paterson was active in politics and held office under Stafford in 1865. He was also prominent in the Presbyterian Church. He died on 29 July 1886.\(^4\) His estate was valued at £10,593.\(^5\)

35 **Paterson, Robert**

36 **McLeod, David**

Little is known of the firm of Paterson & McLeod except that it appeared to be in some difficulty in the mid-1880s. The partners had made large guarantees for advances made to C. Coombs & Son by the National Bank and the NZLMACo, and were unable to meet the demands upon them.

---

1. AAEC 638/95, National Archives.
2. Otago Witness, 26 September 1885, p. 17.
3. AAEC 638/96, National Archives.
5. AAEC 638/96, National Archives.
when this business failed. After the Loan Company's security was un成功地 contested in the Court of Appeal, it accepted an arrangement by which Paterson & McLeod would pay the sum of £4,000 over five years. Paterson & McLeod had earlier offered £1,500 in full satisfaction of their liabilities, alleging that this was all they could afford to pay. Their bankruptcy occurred on 14 December 1888.

37 Proudfoot, George

George Proudfoot was the brother of David Proudfoot. As explained in Volume One, both brothers left for Australia in the early 1880s.

38 Ramsay, Keith

Ramsay was born in Alyth, Perthshire in 1844, the son of the parish minister. He was educated at Blairgowrie and received his early business training at the office of Edward Baxter & Son, merchants of Dundee. He came to Otago in 1862 and took up a position with Cargills & Co and later with W. Dalrymple & Co. In 1865 he went into business on his own account as a shipping agent and shipowner. He died in 1906 and his estate was valued at £21,310. One daughter married Mr Patullo, manager of the New Zealand & Australian Land Company. The other married S.M. Barclay, joint manager of Sargoods & Co.

---

1 NZLMACo Minutes, 15 February, 17 May, 5 July 1882.
2 NZLMACo Minutes, 12 July 1882.
3 NZLMACo Minutes, 5 July 1882.
5 Otago Witness, 9 May 1906.
6 AAEC 638/100, National Archives.
7 Cyclopaedia of New Zealand, Vol. 4, p. 275.
39 Reeves, C.S.

Charles Stephen Reeves was born at Enniscorthy in Wexford, Ireland. His father was a merchant and shipowner at Wexford and Liverpool. He was educated at Barrow and Tarvin Grammar Schools and had two years' commercial training in his father's business in Liverpool. Reeves then spent two years in Australia because of the goldrushes. He returned to Ireland, but within two years came back to Victoria and settled at Geelong. He came to New Zealand in 1863. Reeves was a member of the Provincial Council in 1874 and Mayor from 1876-77. He died on 4 November 1912.\(^1\) His estate was valued at £288.\(^2\)

40 Reid, Charles

Charles Reid was the brother of Donald Reid. He was born in Perth and worked as a bricklayer on arriving in New Zealand in 1848. Reid began business as a commission agent in 1862. In 1867 he helped to found the Standard Property Investment Company, which was wound up in 1888.\(^3\) He was also involved in the Dunedin Finance Loan & Agency Company and died in October 1897.\(^4\) His estate realised £12,222.\(^5\)

41 Reid, Donald

Reid was born in Perthshire in 1833. He was educated at Burns's Academy in Edinburgh and Daniel Stewart's endowed school at his native village. At the age of fifteen he left for New Zealand and arrived at Port Chalmers in 1849. Reid laboured for three years until he was able to acquire his first property, a block of twenty acres in South Dunedin. In 1857 he acquired a property on the Taieri which he called Salisbury and

\(^1\) *Otago Witness*, 4 December 1912.
\(^2\) Probate File 1976, Dunedin High Court. AAEC 638/102, National Archives.
\(^3\) *ODT*, 21 May 1888.
\(^4\) *ODT*, 8 October 1897.
\(^5\) AAEC 638/98, National Archives.
eventually enlarged to 6,300 acres. After retiring from politics, Reid began
a stock and station business in 1878, with assistance from E.B. Cargill.
Reid died on 7 February 1919. McAloon values his estate at £170,000. His
elest son, Donald, a Dunedin solicitor, died on 25 August 1920 and
left an estate valued at £24,000.

42 Reid, George Forrest.

G.F. Reid had been in business in India before arriving in Otago in 1866.
He began a large forwarding and shipping operation in Dunedin. When
he removed his account to the Colonial Bank in 1874, W.C. Roberts of the
BNZ wrote:

Beal had great confidence in GF Reid - in confidence he is
getting somewhat intemperate in his habits (altho' those who
know him say its "no matter" & his usual course) he makes
himself worth some £13,000 but for the most part he has it
locked up in steamer property (which is, I must say, paying well
just now) - he is apparently respectable... he used to discount
with us up to some £15,000.

Reid suffered some major setbacks in the mid-1870s. His large warehouse
was destroyed by fire in 1874 and his steamer "Lady of the Lake" was lost
in 1876. He committed suicide by taking strychnine in 1876 after
drinking hard for a week. It was reported that he had an insurance policy
in favour of his wife which would pass to her notwithstanding the
manner of his death. At a meeting of persons interested in his estate it
was reported that all his obligations would be discharged and a satisfactory

3 Probate File 8051, Dunedin High Court.
4 Roberts to Larkworthy, 25 November 1874, Larkworthy Papers.
5 ODT, 1 June 1874. Bruce Herald, 7 January 1876. His new steamer, the "Matau" was built the same year.
Bruce Herald, 8 February 1876.
6 Bruce Herald, 18 and 22 February 1876.
surplus left for his family. This proved not to be so. Reid owed the Colonial Bank £16,000 and the directors were in some alarm about his affairs. Eventually they offered other creditors ten shillings in the pound. Reid's estate was valued at £3,797.

Mrs G.F. Reid was involved in scandal in 1877 when an inquest into the death of her servant girl held that she had caused the death of the child through ill-treatment. She stood trial and was acquitted by a special jury which included Alexander Bartleman, Colman Burke, J.O. Eva (Richard Oliver's manager), J.T. Chaplin and Henry North. The verdict was extremely unpopular and considered to be quite against the weight of evidence. The Otago Guardian wrote:

there is probably not one disinterested person in the community who doubts that the death of this unhappy girl resulted from the ill-treatment she received... We think a dark memory will throw a shadow over her [Mrs Reid's] path.

43 Reid, John (of Corner Bush)

John Reid, brother of G.F. Reid, was born at Longside, Aberdeenshire in 1829. He worked as a surveyor under J.T. Thomson and kept a store at Waitahuna during the goldrushes. He was joined in this venture by his brother and Edward Herbert. Reid developed this business into a large forwarding and buying operation. The firm dissolved around 1869 and Reid bought the Corner Bush estate at Merton. He formed the firm of Reid & Duncan, surveyors, in 1876. From 1878 to 1885 he was the partner of W. & J. Scoular and James Anderson in the 3,000-acre Monte Christo.

---

1 ODT, 27 March 1876.
2 MacKerras to Hazlett, 18, 22 May 1876, MacKerras & Hazlett Papers.
3 AAEC 638/94, National Archives.
4 ODT, 29 May 1877.
5 Otago Guardian, 29 May 1877.
6 Otago Guardian, 30 July 1877.
estate in Southland.¹ Reid died in 1912. His estate was valued at under £43,033.²

44 Robertson, R.M.

Robert Miller Robertson arrived in Otago in 1861 in company with J.T. Wright. The two men set up the stock and station firm of Wright Robertson & Co. Robertson joined William Carr Young in the same line of business in 1869, but the partnership was soon dissolved.³ He was then involved in the New Zealand Distillery Company and later the New Zealand Agricultural Company. Larnach claimed that Robertson had borrowed £1,000 from him in 1879 and never repaid a penny.⁴ He was involved in an equity suit with Robertson's widow and complained in 1896 that she had cheated him out of £4,000.⁵ Robertson seems to have died overseas around 1889.

45 Scanlon, John

46 Shand, James

James Shand was the son of Barbara Shand of Green Island. She was sometimes looked upon as the mother of agriculture in Otago. Having been left with twelve pounds, a small suburban farm and a large family by the death of her husband only a year after emigrating, Mrs Shand

---

¹ ODT, 12 August 1912.
² AAEC 638/102, National Archives. Probate File 1805, Dunedin High Court.
³ ODT, 12 January, 15 March 1869.
⁴ Letter dated 21 March 1889, Larnach Papers.
⁵ Letter dated 28 March 1896, Larnach Papers.
⁶
organised a model dairy and began raising remunerative crops at a time when some doubted the profitability of agriculture in Otago.¹

By dint of hard toil, James Shand was able to buy 300 acres near Outram and broke in a farm from the virgin flax and tussock. Like most of his fellow agriculturalists, Shand received a boost to his fortunes from the extremely high prices of produce during the goldrush years and he drove his own wagon to the diggings. He borrowed £3,000 from the NZLMACo to buy about 5,000 acres at Centre Bush and made further large purchases at Traquair, Mt Hyde station and Otikia. After losing £8,000 by a butchery venture in Dunedin he paid about £100,000 for 7,000 acres from the New Zealand & Australian Land Company’s estate at Edendale. This extended him too far and led to his first bankruptcy. With the assistance of friends he was able to make another start and buy back part of his Abbotsford estate in 1885. He acquired land again at Traquair, but losses on wheat speculations ruined him a second time and he drowned himself in the Taieri in 1889.²

Shand was involved in a breach of promise action in 1876 and was forced to pay £300 in damages for his callous treatment of his would-be fiancée. He married instead the daughter of George Duncan.³

47 Smith, Edmund

Edmund Smith was the son of the Rev. John Smith, a missionary at Madras. He was born in 1830 and was educated in Yorkshire. He arrived in Otago on the "John Wickliffe" in 1848 and was employed by various settlers, including Edward Lee and W.H. Reynolds. He was manager of the Dunedin Savings Bank from its beginning in 1864 until his death on

¹ James Adam, Twenty-Five Years of Emigrant Life in the South of New Zealand, Edinburgh, 1876, p. 81.
² ODT, 23, 26, 27 September 1889.
³ Bruce Herald, 9 June 1876, Illustrated New Zealand Herald, 11 February 1876.
13 June 1895. His estate was valued at £5,639. Smith experienced marital difficulties in the mid-1870s. He tried to obtain a divorce from his wife, Matilda, on grounds of adultery, and she was later arrested for disturbing the peace after breaking crockery at his home and using foul language.

48 Smyth, A.J.

This is probably Alexander Jerusalem Smyth who was a contractor for various engineering works in Otago. He seems to have lived in Sydney in later years and corresponded with William Larnach.

49 Stewart, William Downie

Stewart was born near Stirling in 1842. He began his law studies in Scotland and came to Otago in 1862. He was elected to Parliament in 1879 and served, with one interruption, until 1890, when he was called to the Legislative Council. Stewart was responsible for a number of law reforms and was an early supporter of women's franchise. His first wife was a daughter of George Hepburn. Stewart died on 25 November 1898. His estate realised £44,765.

50 Wain, Job

Wain was born in London in 1836 and came to Otago in the "Titan" with James Macandrew. He moved to Victoria but returned in 1856 and worked for Macandrew and George Duncan. Wain later went into business as a hotelkeeper and storeman and owned a hotel on Princes Street for twelve years. Between 1885 and 1888 he was involved in

---

1 *Otago Witness*, 20 June 1895.
2 AAEC 638/97, National Archives.
3 *Bruce Herald*, 18, 22 February 1876.
4 He is mentioned in the *Tuapeka Recorder*, 6 April 1866, as an investor in Polkington's Gold Claim Company.
5 AAEC 638/98, National Archives.
various railway contracts and in building the Manuka Creek tunnel and the railway between Clarkesville and Lawrence.\textsuperscript{1} In 1878 he built Wain’s Hotel. He died in 1922 and his estate realised £51,000.\textsuperscript{2}

\textbf{51 Walter, Henry John}

Walter was born in Jamaica and arrived in Victoria in 1853. He came to Dunedin in 1864 and was proprietor of the Occidental Hotel for twenty-nine years. He then left to live in Wellington. Walter was Mayor of Dunedin from 1875-76 and 1878-80.\textsuperscript{3}

\textbf{52 Webb, J.S.}

Webb was manager of the Permanent Building Society. On 12 May 1880, the \textit{ODT} reported:

Some sensation was caused yesterday when it became known that a gentleman well known in commercial circles had suddenly disappeared. It is known that he was in financial difficulties, but we have reason to believe that many of the rumours that have been circulated are without any foundation.

Webb was identified in the next issue as the person in question and it was stated that the accounts of the Society were being audited.\textsuperscript{4} He was also Secretary of the Chamber of Commerce at this time.

\textbf{53 Wilson, Robert}

Robert Wilson was born in County Tyrone in 1832 and educated at a local school.\textsuperscript{5} His father, a farmer, emigrated to Australia where he acquired a

\textsuperscript{1} \textit{Cyclopedia of New Zealand}, Vol. 4, p. 109
\textsuperscript{4} \textit{ODT}, 13 May 1880.
\textsuperscript{5} \textit{ODT}, 21 August 1899.
This was too small to support the whole family, and when he reached the age of twenty, Robert was "given a carpet bag and a good outfit and a half sovereign in his pocket to face the world like Dick Whittington." He began a carting business and made £2,000 from transporting water during a drought. Wilson came to Otago in the early 1860s and did not intend to stay for any length of time. He recalled that he initially found the Scottish inhabitants a very strange people, but decided to stay and eventually became a Presbyterian.

Wilson conducted a miscellaneous trade in imported goods and agricultural produce. A report in 1883 claimed that he had cleared £20,000 by buying the entire Nelson hop crop and selling it at a profit. His partner in the 1860s, Thomas Sutterby, died in 1889 and left his family well provided for. Sutterby was a native of Norfolk and lived at Ballarat for many years.

Wilson died on 19 August 1899. His estate was valued at only £3,610, and there are signs that Wilson was under some financial strain after 1890. His name appears on the bad debts of the Colonial Bank and his obituary noted that "if successful in business, Mr Wilson like others met with reverses... notably in farming."

Wright, John Thomas

Wright was born on 7 January 1828 at Low Fell, County Durham. He received his early business training at Newcastle on Tyne and went to Victoria where he became a salesman in Melbourne. He arrived in Otago

---

3 ODT, 20 June 1884.
5 ODT, 18 December 1889.
6 AAEC 638/98, National Archives.
7 ODT, 21 August 1899.
on 22 September 1861 with R.M. Robertson. Their partnership was the beginning of the successful stock and station firm, Wright Stephenson & Co. Wright died in 1913 and his estate was sworn to be under £70,000 (the inventory suggests a value of £68,129). He married a daughter of W.H. Reynolds and his daughters married to become Mary Isabel Guthrie and Edith Lilian Marguerite Buckland.

55 Ziele, Charles

Ziele was born in Germany in 1840 and arrived in Melbourne in 1856. He had an uncle at Creswick and for three years had charge of the family business at Redbank. He came to Dunedin in 1861 and lived on the goldfields for nine years, operating as a general merchant at Wetherstons and Dunstan. He returned to Dunedin in 1870 and was naturalised that year. Ziele set up a wholesale grocery and wine and spirit business on Rattray Street, but later sold this to take a large share in the McLeod Brothers Soap Factory, in conjunction with James Rattray. Ziele died in 1902. His estate was valued at £11,463.

"Inner Circle" Exclusions

Cargill, E.B.
Holmes, Mathew
Larnach, W.J.M.
Nichols, Charles
Oliver, R.
Proudfoot, David
Rattray, James
Ritchie, J.M.

2 Probate File 2106, Dunedin High Court.
3 ODT, 28 June 1870.
5 AAEC 638/99, National Archives.
Appendix 3

Tolmie, W.A.

Runholder Exclusions

Bell, G.M.
Boyd, Capt. J.T.T.
Clarke, Joseph
Fraser, William
Fulton, James
Gellibrand, W.
Logan, James
Main, D.F.
Miller, Walter
Murison, W.D.
Orbell, Henry
Reid, John
Teschemaker, Charles de Vere
Webster, Dr G.M.

Political or District Exclusions

Allan, James
Cormack, John
Herbert, Edward
Inder, Walter
Malaghan, M.J.
Pritchard, Robert
Snow, William¹

¹ Snow died in 1910 and left an estate worth £7,356. AAEC 638/101, National Archives.
Exclusions for Lack of Information

Black, James¹
Brown, J. (senior)
Hume, Marcus
North, William²
Price, M.

National Insurance 1873

56 Edmond, John

John Edmond was born in Port of Leith in 1822. He left for the Victorian diggings and came to Otago in 1862, where he began a sailmaking and ships' chandlery business before moving into ironmongery. His Probate File (2256, Dunedin High Court) could not be located. He died on 19 October 1892.

57 Guthrie, Walter

Walter Guthrie was born in 1839 in Fifeshire. His father owned coastal vessels. He came to Otago in 1862 or 1863 and worked as a timber and hardware merchant. On the dissolution of Guthrie & Larnach he went to live in Invercargill in 1880 and was involved in the floating of the New Zealand Pine Company and the City Sawmilling Company.³ He died in 1902 and his estate realised £25,594.⁴

---

¹ Black was a member of the firm of Black & Thomson, sawmillers, timber merchants and suppliers of building materials.
² Presumably of North & Scoular.
³ Otago Witness, 19 February 1902.
⁴ AAEC 638/99, National Archives.
Low arrived in Otago in 1862 as the representative of a Melbourne firm in the boot trade. In 1866 he became a partner with Michael Heymanson and Jacob Isaacs (later of Hallensteins) in the firm of Heymanson & Low, bootmakers and importers.\(^1\) He died on 21 May 1881 and his estate realised £6,650.\(^2\)

W.C. Roberts of the BNZ reported in 1879:

Heymanson has gone out of the firm of H & Low & [T.S.] Graham (late of Bing Harris) has gone in with the same capital. H still to continue as firm's buyer in London. Heymanson has however taken out £7,000 odd practically in cash at once & his attorney (Isaacs) has walked off with the money to his own bankers the "National"... the new firm is, of course, as good for all practical purposes as the old. Haymanson takes some £16,000 out of the business...\(^3\)

The BNZ wound up the firm in 1884.\(^4\)

MacKerras, J.T.

James Taylor MacKerras was born in Aberdeen in 1827. He moved to London and then embarked upon a mercantile career in Geelong in 1851. The firm of MacKerras & Hazlett was formed in Dunedin in 1862. MacKerras died in 1911 and his estate was valued at £5,861.\(^5\)

---

1. [ODT, 25 May 1881.](#)
2. [AAEC 638/94, National Archives.](#)
3. Roberts to Larkworthy, 15 April 1879, Larkworthy Papers. See also Roberts' letters of 2 July and 14 August 1879.
4. [Otago Witness, 22 November 1911. AAEC 638/102, National Archives.](#)
Matheson was born in Helmsdale, Sunderlandshire, in 1838, and came to Otago by the "Pladda" in 1863. He was engaged as a clerk by Dalgety & Co before going into business in the import trade with his brother, Thomas. The Mathesons had family connections with the firm of Magniac Matheson & Co. Their London office was managed by M.J. Hart.

Matheson Brothers was floated as a public company in 1883, but the business failed in 1884 and both men were declared bankrupt. The liabilities of the firm were estimated to be £8,055 and the assets were valued at £6,105, leaving a deficiency of £1,949. G.C. Matheson's private liabilities amounted to £2,798 and his assets came to £1,180. Gibson Ferrier suspected preference in George Turnbull's management of the estate. G.C. Matheson died on 25 April 1898.

Prosser was born in Wales and was attracted to New Zealand by the West Coast goldrushes. He founded a chemical manufacturing firm with Thomas Kempthorne, but left for Sydney in 1882. He committed suicide in 1896. The Sydney Telegraph reported that his wife heard a shot and found Prosser bleeding from his head. He fired two shots at his wife before dying. Prosser's name was linked with the founding of the new Anglican parish of South Dunedin in 1873.

---

2 *ODT*, 5 August 1884.
5 *Otago Guardian*, 2 December 1873.
62 Scoular, James

James Scoular was born in Edinburgh and went to Victoria in 1854. He arrived in Dunedin in 1863 and worked in partnership with his brother for twenty years. In addition to his company interests, he acquired 7,000 acres at Mossburn. He died in 1900 and his estate was valued at £75,521. William Scoular died in the wreck of the "Wairarapa" in 1894. His Probate File (2611) contains no valuation of his estate.

63 Smith, James "Darky"

James Smith was born in Brixton, London, around 1821. He was the son of Francis Smith, formerly of Lindfield, Sussex, a London merchant and afterwards of Campania, Tasmania. His brother was the Hon. Sir Francis Villeneuve Smith, Premier and Chief Justice of Tasmania. Sir Francis adopted his mother's maiden name, Villeneuve, in 1884, thereby acknowledging her descent from the French admiral Villeneuve. She had come from Santo Domingo, in the Dominican Republic. Given her nationality, it is possible that "Darky" Smith's complexion was the product of Creole genes. Gilkison also speculates along these lines.

Sir Francis has been described as ambitious and self assertive - "his ability and abrasive temper prevailed over most opponents but made him bitter enemies." His brother's wife was entitled to income from trust funds of which he and his brother were trustees. (This woman was sometimes identified as Mrs James Smith, but it is not known how she was related to James Smith of Dunedin. She may have been a member of the Gellibrand family.) The brother made unlawful investments and his wife proceeded against the trustees. It is said that Sir Francis was blameless in

1 ODT, 9 May 1900.
2 AAEC 638/98, National Archives.
4 R. Gilkison, Early Days in Dunedin, pp. 44, 45.
the matter and spent time and money trying to reach a settlement. Losing his temper, he published a letter defamatory of his sister-in-law. Smith and William Gellibrand were joined in an action by Mrs James Smith in 1882. Larnach acted as next friend for Mrs Smith, who successfully recovered £6,000 for breach of trust.

James Smith was taken to Tasmania by his parents. His education was completed at University College, London where he took the degree of B.A. He was articled and admitted to the bar. He then returned to Tasmania. After spending two years in Melbourne he came to Otago in 1863, where he lived until about 1890, when he returned to England. He died in 1903 and his Probate File (4475, Dunedin High Court) records that his estate was valued at £27,950.

64 Smith, J.W.

Smith was a partner in Bing Harris & Co. The Ross & Glendining Letterbook Volume 2 (1877ff) states that the profit and loss account for the half year 19 July 1875 showed a gross profit of £13,313; the net profit carried to capital account was £3,396. The capital of the firm had been contributed in the following proportions:

W. Harris £57,934
J.W. Smith £15,420
T.S. Graham £8,277.

Woolf Harris was born in Poland in 1833. He spent six years in Australia and came to Otago in 1857. In 1864 he left for London and returned to New Zealand only on business and holidays.

2 ODT. 18 May 1882. Larnach to Clarke, 29 July 1881. Larnach to Loo Gellibrand, 8 May 1882, Larnach Papers. AIBR, 10 June 1882
3 Otago Witness, 13 January 1904, p. 9.
4 Otago Witness, 30 March 1926, p. 35.
65 Thoneman, Louis

Thoneman was a native of Germany and partner in the Melbourne firm of Lange & Thoneman, importers and merchants.¹ In 1875 Thoneman (late of Dunedin) was appointed Austro-Hungarian consul in Melbourne to replace Emil Thoneman who had died.² The manager of the BNZ in Melbourne had earlier written:

Emil Thoneman of Lange & Thoneman goes home by this mail with a letter of introduction to you and a credit of £2,000. He is a better stamp of man than Lange & has been Austrian Consul for many years. I believe they are generally more particular than other nations in the character of their representatives.³

Louis Thoneman died in Melbourne in 1882.⁴ Lange & Thoneman were implicated in the failure of Stavely Austin & Co.⁵

"Inner Circle" Exclusions

Driver, Henry
Larnach, William
Mills, James
Oliver, Richard
Proudfoot, David
Russell, George Gray

---

² ODT, 28 May 1875.
³ Stewart to Larkworthy, 23 February 1874, Larkworthy Papers.
⁴ ODT, 14 November 1882.
Runholder Exclusion

John Cargill

Colonial Bank Directorate Exclusions

Burt, Alexander
Butterworth, J.L.
Howden, Charles Ritchie
Marshall, James
Ramsay, Keith
Reeves, Charles Stephen
Wilson, Robert

Union Steam Ship Company (1873)

66 Graham, Thomas Sherlock

Graham was born in the south of Ireland and served in the Provincial Bank in Cork. He emigrated to Victoria and came to Dunedin in the service of the Bank of Australasia. He later joined the firm of Bing Harris & Co as manager and subsequently as partner. He married a daughter of Charles Kettle and was thus a brother-in-law to Macassey and John Roberts. In 1888 he married a daughter of R.A. Low. Graham left Bing Harris & Co in 1879 and joined Heymanson & Low. He became bankrupt in 1886.¹ He died in 1918 and his Probate File (4473, Dunedin High Court) reveals that his property was worth less than £900.

¹ Insolvency File 295, Dunedin High Court.
### McQueen, Charles

Kincaid & McQueen's Vulcan Foundry was established in 1862 and employed 100-150 men in the 1870s.\(^1\) The partnership dissolved in 1880, with McQueen continuing the business.\(^2\) Kincaid's Probate File (823, Dunedin High Court) records that his estate was valued at £9,000. The Vulcan Foundry fell on hard times in the 1880s and the bankruptcy of the firm was contemplated as early as 1885.\(^3\)

### Morris, A.W.

Arthur William Morris was born at Irvine on the Clyde in 1825. In 1856 he arrived in Dunedin in his barque "Dunedin". Morris engaged in mercantile pursuits until he was appointed manager of the Otago & Southland Investment Company. He led the movement for a Presbyterian Church at Anderson's Bay. He was an Elder of First Church and associated with that parish for forty years.\(^5\) He died on 12 May 1910 and his estate realised £26,181.\(^6\)

### Walcott, James

Walcott was the Dunedin manager of Bright Brothers. He died on 19 July 1880 and his Probate File (792, Dunedin High Court) contains no valuation of his estate. No death duty was levied on his estate.\(^7\)

---

4. AAEC 638/101, National Archives.
5. AAEC 638/94, National Archives.
"Inner Circle" Exclusions

Cargill, E.B.
Driver, H.
Larnach, W.J.M.
Mills, James
Neill, P.C.
Ritchie, J.M.

Runholder Exclusions

Strode, A.C.

Other Directorate Exclusions

Burt, Alexander
Jones, J.R.
MacKerras, J.T.
Smith, James

Westport Coal Company 1881

70 Burns, A.J.

A.J. Burns, son of the Rev. Thomas Burns, was born in 1830 and educated under his father and at the Wallacetown Academy. He entered the merchant service and participated in the China war of 1845-6. Burns arrived in Otago in 1848. He was closely associated with the Mosgiel Woollen Company and the WCC. He died on 15 September 1901 but no probate material could be located. In 1879, Burns was domiciled at

---

1 *Cyclopedia of New Zealand*, Vol. 4, p. 86. See *ODT*, 6 June 1874 for a report of a banquet to Burns.
Westport as manager of the Westport Colliery Company, and he may have spent long periods away from Otago.¹

71 Davie, John

John Davie was a nephew of Dr Candlish, a leader of the Disruption. Davie was attracted to Victoria by the gold diggings and was sent by Dalgety & Co to Dunedin as a salesman. He resigned this position to join the firm of M'Landress Hepburn & Co.² Alexander M'Landress died in 1865. He had formerly resided in Maryborough and came to Otago after the discovery of gold at Gabriel's Gully.³ Davie and William Hepburn, the surviving partners, were declared bankrupt in 1883.⁴

A banquet to Davie in 1874 was attended by (among others): George Turnbull (chair), E.B. Cargill (vice), R. Wilson, James Rattray, Andrew Mercer (Mayor) Keith Ramsay (Mayor elect), Driver, R.B. Martin, John MacLean, Hugh MacLean, Charles Stewart, T.S. Graham, Smith, Macassey, D. Proudfoot, George Bell, John Edmund, G.S. Brodrick, Moodie, A.J. Smyth, Stout, Kempthorne, Barron, Drs Hocken and Burns, Dr Stuart, H.S. Fish, Chapman, Oliver and Charles Kettle.⁵ At this gathering, Davie acknowledged a debt of gratitude to George Turnbull.

72 Holmes, Allan

Allan Holmes was the son of Mathew Holmes ("inner circle") and is discussed at greater length in Volume One. He died in 1909. His Probate File (500) reveals that his estate was worth under £100.

¹ Company File 92, Hocken Library.
³ Otago Witness, 13 May 1865, p. 11.
⁴ Mercantile Gazette, 12 May 1883.
⁵ Otago Guardian, 1 August 1874.
73  **Joachim, George**

Joachim was declared bankrupt in 1887. He died in 1920 and his estate realised £18,647.\(^1\) His wife was a sister of the artist E.N. Wimperis.\(^2\)

**Other Directorate Exclusions**

Gillies, Robert  
Larnach, William  
McGregor, John  
Paterson, Robert  
Prosser, Evan

**Urban Businessmen who were Club Members in the 1860s and 70s**

74  **Bartleman, Alexander**

Bartleman served as manager of the Bank of Otago and after that as manager of the National Bank. He later practised as an accountant and financial agent. Bartleman died in 1902.\(^3\) His Probate File (4254, Dunedin High Court) contains no valuation of his estate.

75  **Beal, Latham**

Beal died on 30 August 1904. Surprisingly, given his long service to Dunedin business, a death notice only was published.\(^4\) His father had died at Mt Gellibrand in Victoria in 1869.\(^5\)

---

\(^1\) AAEC 638/106, National Archives.  
\(^2\) *Otago Witness*, 9 March 1920, p. 25.  
\(^3\) *Otago Witness*, 4 January 1903.  
\(^4\) *Otago Witness*, 7 September 1904.  
\(^5\) *ODT*, 18 March 1869.
76 **Brodrick, George Septimus**

G.S. Brodrick was the son of John Brodrick, shipowner of Hull. He arrived in Otago in 1860 and began the firm of Brodrick & Chalmers.\(^1\) Brodrick's business seems to have been as a coal merchant and shipowner. \(\text{He died in 1896 and his estate realised £1,363}.\(^3\)

77 **Carrick, Alexander**

Carrick was Richard Martin's partner in R.B. Martin & Co. Carrick filed a deed of arrangement in 1870\(^4\). He left Dunedin and became manager of the National Insurance Company in Christchurch.\(^5\)

78 **Eccles, Alfred**

Eccles was apparently a surgeon of some distinction and a near relation of Dr Edward Jenner. He came to Otago around 1862 and left in 1871\(^6\). Eccles died in Plymouth in 1904.\(^7\) His estate in New Zealand was valued at £313.\(^8\)

79 **Eliott, G.W.**

George William Eliott was one of Dunedin's smart young gentlemen. Born in Auckland in 1845, he had amassed a sizeable fortune by the age of thirty. Eliott managed the New Zealand Insurance Company from the

---

1. G.S. Brodrick, *Family Notes*, OESM.
2. AABC 638/97, National Archives.
3. ODT, 30 May, 28 June 1870.
7. AABC 638/100, National Archives.
time it began in the city. In this capacity, he played an active role in soliciting business for the BNZ.\textsuperscript{1} In 1871 he married a grand-daughter of Captain Cargill from the Jamaican side of the Cargill family.\textsuperscript{2} His father, George Eliot Eliott, was a civil servant and old colonist who retired to Dunedin in 1876 after leading an adventurous life during the wars in the North Island.\textsuperscript{3}

In the mid-1870s Eliott was one of Otago's foremost land speculators, trading in suburban sections both in Dunedin and in outlying townships. He also had sufficient unemployed capital to share in the construction of the Deborah Bay Tunnel and join Hyde Harris as partners in Colman Burke's brewery.\textsuperscript{4}

\textsuperscript{1} Larnach to Adam Burnes, 26 September 1873, Larnach Papers.
\textsuperscript{2} Echo, 12 August 1871.
\textsuperscript{3} G. Scholefield (ed.), A Dictionary of New Zealand Biography. Family details are also recorded in QDT, 13 March 1883.
\textsuperscript{4} Southern Mercury, 4 August 1877.
The liquidation of Eliott's estates proceeded slowly. In 1884 the BNZ took over his remaining properties and released him from his debt, which then stood at £12,000. Whether the BNZ received full consideration for the amounts it lent Eliott is unclear. He left New Zealand Insurance in 1883 and took up the management of a smaller local company. Burke's brewery fell on hard times and the revelations of Eliott's involvement in the concern could not have elevated him in the public's estimation. Ritchie noticed him "looking seedy" in 1885 and he left New Zealand the next year, eventually settling in Perth, where he died in 1924. His father died on 17 September 1901 and left an estate valued at £5,221 net.

80 Fotheringham, James

Fotheringham was a partner in Royse Stead & Co and later Donaghy's. He died in 1921 and his Probate File (7712, Dunedin High Court) records that his assets were worth less than £950.

81 Gibbs, H.J.

Gibbs was a partner in Cargill Gibbs & Co and London manager of the British and New Zealand Company. It is likely that he died in England.

82 Hackworth, James

Hackworth was Collector of Customs at Wellington before taking up the same position in Dunedin in 1874. He died on 4 September 1891.

---

1 Deeds 84/376.
2 He seems to have been reinstated to the management of the New Zealand Insurance Company in 1885. QDT, 31 March 1885.
4 Probate File 3947, Dunedin High Court.
5 Hawke's Bay Herald, 8 September 1874.
William Hepburn was born in Fifeshire and arrived in Otago in 1850 with his parents. He joined the firm of M'Landress Hepburn & Co where he remained until his bankruptcy in 1883.1

Hill Jack came to New Zealand as representative of the Victoria Insurance Company. He died in 1918 and his Probate File (1918, Dunedin High Court) records that his estate was worth less than £22,150.

Hocken was the son of the Rev J. Hocken, of Stamford, England. After obtaining his medical qualifications he spent two years as a surgeon on a steamer trading between England and Australia.2 He settled in Dunedin in 1862 and died on 17 May 1910. His estate was valued at £39,577.3

James Howorth was born in England in 1792. He read for the bar at Gray's Inn and came to New Zealand in 1856, where he continued to practise law. He died on 13 March 1867 and left an estate valued at under £2,000.4 Muir describes him thus:

Jas Howorth 5ft 6'. black hair & mutton chop whiskers. Stout & thick set, dark piercing eyes. Clarety coloured complexion - his office in a fern tree cottage - staff consisted of "my son

1 Mercantile Gazette, 12 May 1874.  
3 AAEC 638/101, National Archives.  
Henry" afterwards he became a solicitor & then a member of Parliament & also got enormously stout.¹

Henry Howorth, son of James, was born in Shenley, Hertfordshire, in 1834. He was admitted to the bar in Otago in 1862 and elected to Parliament for Taieri in 1869. On one occasion his vote kept the Fox-Vogel government in power. He practised law in Wellington until 1894. He died on 8 January 1907.² His estate was valued for tax purposes at £1,279.³

Isaac, William

Isaac was born at Stowmarket in Suffolk in 1828. He had emigrated to Victoria by 1832 and spent time at Sandhurst in Victoria. He returned to Melbourne and joined the staff of the Colonial Bank, managing the Kyneton Branch for six years. Isaac came to Dunedin in 1863 as manager of Youngman & Co, a firm which later merged with Kempthorne Prosser. He married Eliza, third daughter of John Jones, in 1866.⁴ Jones was pleased with the match and regularly bestowed valuable gifts upon his son-in-law, including an annual allowance of £1,000 and a flock of 5,000 sheep. All went well until Jones caught wind of a rumour that Isaac had impregnated one of his domestic servants. Isaac was at once excluded from the Jones household. The sheep were taken back and Eliza was requested to leave her husband until the rumour was disproved in court.⁵ Isaac died in 1899. His Probate File (4111, Dunedin High Court) records that his estate was valued at less than £100.

¹ Thomas Muir, Notes on the Otago Legal Profession, OESM.
³ AAEC 638/157, National Archives.
⁴ ODT, 9 September 1899.
⁵ New Zealand Sun, 22 December 1868.
89 Kenyon, Edmund Peel

Kenyon was in practice with H.D. Maddock in the 1860s, but little else is known of him. It was reported that he derived most of his business as a lawyer from runholders.¹ Thomas Muir described him as:

5 ft 7" light wavy hair, rather an aristocratic face, slightly aquiline nose, a gentlemanly little chap from one of the counties of England. He was not perhaps a great lawyer but he had a most expressive shrug which made up for it.²

Kenyon's partnership with H.D. Maddock ended in 1870.³

90 Macassey, James

Macassey was born in Carrickfergus, Antrim, the son of an Independent minister. At various times he practised law with Turton, Hyde Harris, Allan Holmes, F.R. Chapman and C.C. Kettle.⁴ He died on 9 May 1880. The affidavit of Elizabeth Macassey, his widow, optimistically stated that the value of his effects and credits was under the value of £15,000. In reality, he left almost nothing.⁵

91 McGlashan, Edward

McGlashan lived in Adelaide and Melbourne for two years before coming to Otago in 1850. He bought Valpy's flour mill and owned Suisted's Otepopo station until 1862. McGlashan also owned the Mount Stoker station and was in business with William Carr Young. He was active in developing mining companies in the Province, engaged in sawmilling in

¹ Thomas Muir, Notes on the Legal Profession, OESM.
² Thomas Muir, Notes on the Legal Profession, OESM.
³ QDT, 6 October 1870.
⁴ Cyclopedia of New Zealand, Vol. 4, p. 244.
⁵ Probate File 798, Dunedin High Court. AAEC 638/94, National Archives. The NZLMACo Minutes of 24 June 1880 record that Macassey had assets of £16,680 and liabilities of £16,021.
the Catlins and experimented unsuccessfully with the conversion of tussock into paper. McGlashan filed a deed of insolvency in 1870 and was declared bankrupt in 1887.\textsuperscript{1} He died in 1889.

92 Mackenzie, John Reid

MacKenzie came to New Zealand as manager of the New Zealand Banking Corporation. He had formerly been in Ceylon. He died on 30 November 1878 and his son declared that the assets of his estate were less than £100. His Probate File (A 1007, Dunedin High Court) mentions a post-nuptial settlement of land and peat rights in Stornoway in favour of his wife.

93 MacLean, Hugh John

MacLean was a partner in Driver & MacLean and later in MacLean Brothers. He became bankrupt in 1884 and died in 1885.\textsuperscript{2} His estate was still insolvent at the time of his death.\textsuperscript{3}

94 Maddock, H.D.

Maddock arrived in Dunedin from Melbourne around 1862.\textsuperscript{4} He returned to Melbourne in 1870 but was brought back to face charges of misappropriation brought by M.S. Gleeson.\textsuperscript{5} These were later dropped. Maddock appeared in Napier where he was horsewhipped by the editor of the Telegraph. The paper had said that Maddock was "a devil; a bad egg; no credit to the place morally, socially or professionally."\textsuperscript{6}

\begin{itemize}
\item \textsuperscript{2} Mercantile Gazette. 5 January, 23 February, 15 March 1884.
\item \textsuperscript{3} AAEC 638/95, National Archives.
\item \textsuperscript{4} Evening Star. 23 August 1869.
\item \textsuperscript{5} ODT. 11, 16 November 1870.
\item \textsuperscript{6} ODT. 16, 22 August 1871.
\end{itemize}
Martin, Richard Bowden

Martin was born in Cornwall and went to Victoria in 1854. He came to Dunedin in 1859. In partnership with Alexander Carrick he set himself up as a merchant in High Street. Carrick & Martin filed a deed of arrangement in 1870, and Martin appears to have been declared bankrupt in 1875.\(^1\) In later years Martin was a land agent and tax commissioner.

Mason died in Christchurch in 1902.\(^4\)

Mason, William

Mason was born in Ipswich in 1810. He went to Sydney in 1838 and then to Auckland in 1840. He became partner with W.H. Clayton in Dunedin in 1862 and later joined N.Y.A. Wales. Mason was an Anglican.\(^5\) He died on 22 June 1897 and left an estate valued at £71.\(^6\)

---

\(^1\) ODT, 30 May, 28 June 1870. Ritchie to Le Cren, 27 August 1875, Ritchie Papers. Assignment in Bankruptcy 1870, 126, Dunedin High Court. Carrick & Martin had debts of £38,126 and property of £21,229. The firm had shares in the SS "Taiaroa" (25%), "William Cargill" (33%), "Prospector" (33%) and "Crest of the Wave" (5%).

\(^2\)

\(^3\)

\(^4\) Otago Witness, 2 April 1902, p. 56.


\(^6\) AAEC 638/98, National Archives.
97 **Mudie, John Bell**

Mudie arrived in Otago in 1862 with William Royse. Their partnership acted as agents for M'Mekan Blackwood & Co and carried on a large general and stock and station business. Bell was afterwards local manager of the New Zealand Shipping Company and a commission agent. He was declared bankrupt in 1868 and died in 1889.1

98 **Petre, Francis William**

Petre was born in Wellington in 1847. He was the grandson of Baron Petre, chairman of the original New Zealand Company, and he practised as an architect. He married a daughter of E.B. Cargill. Cargill was not pleased with the match, partly, it seems, because Petre was a Roman Catholic. "It should make the old Captain turn in his grave", thought Ritchie, who seemed more concerned at Petre's lack of means. "'Well connected' he may be as Mrs E.B. is proud to think - but he has not one penny to rub on another - nor the brains to get them I fear."2

99 **Power, Pierce**

Power was a stock and station agent in partnership with Frederick Pantlin. He was from Clonmel, County Cork, and is said to have been a direct descendant of Edmund Spenser.3 He left Dunedin in 1879 and died in 1898.4

---

2 Ritchie to Russell, 26 September and 20 December 1876, Ritchie Papers.
100  **Quick, E.E.C.**  

Edmund Quick was born in 1827 in London. He was educated in Bath and later attended Navigation School at Milford Haven and Blackwell. He went to the Victorian diggings in 1852. He worked in Melbourne at the Harbour Office and for the firm of J.B. Were as a clerk. In 1861 Quick began an importing business in Otago. He spent some time in the United States, but returned to work as a sharebroker. He died in Melbourne aged ninety-two.¹ His estate was valued at £15,216.²

101  **Roberts, William Charles**  

William Roberts, one-time manager of the Bank of New Zealand, was declared bankrupt in 1884 and left for San Francisco to escape the pressure of his creditors.³ He died in 1919 and his Probate File (6105, Dunedin High Court) records that his estate was worth less than £400.

102  **Royse, William**  

Royse was Mudie's partner in Royse Mudie & Co. After the dissolution of that business he was involved in the grain agency firm of Royse Stead & Co in Christchurch. This firm was later merged with P. Cunningham & Co.⁴ Royse described himself as a millowner of Dunedin in 1877.⁵ He died on 10 August 1892 and his Probate File (2240, Dunedin High Court) records that his estate was valued at under £1,000.

103  **Sholl, Martin**  

Sholl, a sharebroker, left Otago after the 1870s.

---

¹ ODT, 10 June 1918.  
² AAEC 638/105, National Archives.  
³ Insolvency File 14, Dunedin High Court.  
⁴ ODT, 12 October 1877, 25 March 1881, 24 January 1882.  
⁵ ODT, 20 December 1877.
104 Sise, George Lyman

G.L. Sise was born in 1839, the son of a New Hampshire merchant who traded in West Indian goods. He went to sea at the age of sixteen and served for two years aboard China tea clippers. After the treaties of Aigun (1858) and Peking (1860), Sise was sent by the American export house, H.A. Pearce, to establish a fur-trading post. Some convicts employed in this venture became rebellious and Sise was forced to use his store as a fort.¹

Soon afterwards, he was despatched by H.A. Pearce to Dunedin. Sise carried materials to build a store on Princes Street and, with James Bates, established a business specialising in American goods. Bates' memoirs were published under the title "Life in the Cannibal Islands."² Sise died on 22 August 1930. His estate was valued at under £13,000.³

105 Stephenson, John

Stephenson was born in Everton, Nottingham, and educated at Nearfield House Academy. His father was a landed proprietor and huntsman to the Sandhurst hounds. He went to Melbourne in 1852 and spent two years on the diggings before going into business as a road contractor and stockdealer.⁴ He came to Otago in 1861 and joined Jones Bird & Co, later going into business with J.T. Wright as stock and station agents.⁵ Stephenson died in 1900 and his Probate File (3704, Dunedin High Court) reveals that he possessed property which had realised £88,000 in 1901. His daughter, Kate, married William Hazlett, merchant, of Invercargill.

¹ H.K. Voigt, "The Old Folks at Sea", unpublished family history (kindly supplied by Belinda Hodson).
² "Life in the Cannibal Island", Scribner's Monthly, 1871, Hocken Library.
³ Probate File 12228, Dunedin High Court. Cyclopedia of New Zealand, Vol. 4, p. 344.
⁴ J.C. Irving, A Century's Challenge, p. 17.
⁵ Cyclopedia of New Zealand, Vol. 4, p. 207.
106 Stewart, Charles

Stewart was born in Kirkmichael, Perthshire. In his early youth he came to Victoria and joined the staff of the Bank of New South Wales at Melbourne. He became manager of that bank in Dunedin and then joined Driver MacLean & Co. Stewart became bankrupt in 1884, along with his partner at the time, Hugh John MacLean.1 He was found dead in a lagoon near the Rattray St wharf in 1889. His Probate File (1195, Dunedin High Court) contains no indication of the size of his estate.2

107 Street, Charles

Charles Street farmed at Warepa before going into business with Robert Gillies as an estate agent and surveyor. He died in Auckland in 1887 after jumping into a ditch to escape a runaway horse.3 His estate was valued at £33,193.4

108 Tewsley, Henry

Tewsley came to Otago from Melbourne as manager of Sargood Son & Ewen. He died in 1879 and his estate was valued at £8,898.5 A report on the firm’s borrowing in 1875 gives some indication of the size of its operations. At this time, the BNZ had accepted discounts amounting to £75,000 and loaned £15,000 on overdraft.6

---

1 Mercantile Gazette, 5 January 1884. The firm had assets of £10,537 and liabilities of £6,922.
2 ODT, 7 August 1889 (supplement).
3 Otago Witness, 26 August 1887.
4 AAEC 638/3, National Archives.
5 Morning Herald, 29 December 1879. AAEC 638/94, National Archives.
6 W.C. Roberts to Larkworthy, 2 August 1875, Larkworthy Papers.
109 Young, William Carr

Young came to Otago in 1854 at the instigation of Captain Bellairs. He entered business with Edward McGlashan and appears to have left the Province in 1870.1 In 1876, W.A. Low noted that he was partner in the London firm of Bell Harrison & Co.2

From Wise's Dunedin Directory 1871

Wine & Spirit Merchants

110 Baxter, David

Baxter was born in Perthshire and educated in Edinburgh and Dundee. He was engaged in mercantile pursuits in Perth and went to Melbourne in 1856. He came to Dunedin in 1866 and went into business as a merchant. Baxter died in 1901 and left an estate valued at £18,545.3 His daughter married T.K. Sidey.4

111 Esther, George

Esther was born in Morpeth, England in 1844 and educated in Linlithgow, where his father was an Exciseman. He was brought up to the grocery business in Haddington and went to Victoria in 1859. Some years later he came to Dunedin and he also spent time in Fiji. He developed a very large grocery and liquor business, but became bankrupt in 1893.5 He was

1 The Otago Daily Times & Witness Otago Settlement Jubilee Number, 1898, p. 45. He returned at least temporarily in 1871. ODT, 21 January 1871.
2 W.A. Low to Roberts, 10 September 1876, 625/5, Roberts Papers. A letter in the ODT, 21 January 1871, suggests that Young may have returned briefly.
3 AAEC 638/98, National Archives.
4 Cyclopaedia of New Zealand, Vol. 4, p. 344.
5 Insolvency File 11, 3 May 1893, Dunedin High Court.
on 16 October 1884. During legal proceedings arising from the handling of his estate, it emerged that he had left a fortune worth £182,426.

Solicitors and Barristers

(Barton, Haggitt, Hyde Harris, the Howorths, Hodgkins, Kenyon, Maddock, Macassey, Smith and Stewart are already represented.)

117 Cook, George

George Cook came to Otago from England in the 1860s. He died in April 1898 aged eighty-two and his Probate File (3224, Dunedin High Court) contains no valuation of his estate. No death duty was levied on his estate. A daughter married F.R. Chapman. Muir's notes on the early legal profession contain the following description:

5ft 10' Thin fair hair, pale blue eyes, shaven cheeks & goatee beard. Had only been about 6 months in the colony. Came from an old fashioned, old established London office & was quite the antithesis of what one would expect a practitioner in a young colony to be. He was full of old fashioned ideas & precedents & when he & Gillies got to grips with declaration plea, rejoinder, rebutter, surrebutter, & so forth it was a sight for the gods.

118 Sievwright, Basil

Sievwright was born in the Shetland Islands in 1836, the son of a notary public. He emigrated to the Australian goldfields and arrived in Dunedin in 1865 and died on 9 April 1902. His Probate File (6999, Dunedin High

---

2 ODT, 22 October 1885.
3 Otago Witness, 14 April 1898, p. 21.
4 AAEC 638/98, National Archives.
5 Thomas Muir, "Notes on the Otago Legal Profession", OESM.
6 Otago Witness, 9 April 1902, p. 56.
Appendix 3

Court) could not be located. No death duty was levied on his estate. In 1879, Sievwright was reported to be ill - "it is quietly asserted gone in the head". He was horsewhipped by Frederick Fitchett in 1882.

119 Turton, Gibson Kirke

Turton married Annie Bathgate. Ritchie wrote in 1877 that Turton was "steady at the moment but a few years ago went all wrong from intemperate habits."

Stationers and Printers

120 Bell, George

George Bell was born in Hull, Yorkshire. His father was a customs official. He received a good classical education at a private school and served an apprenticeship to a mercantile firm, after which he became accountant and salesman to a firm in York and then superintendent of a manufacturing operation in Sheffield. He taught himself shorthand and became interested in anti-Corn Law agitation. Bell was of a religious disposition and became involved in Sunday School work. He went to Melbourne in 1852, where he obtained employment as a government shorthand recorder, working in the law courts and helping to establish a parliamentary Hansard staff. In 1863 he came to Otago and worked as a reporter for the ODT. He bought the Evening Star in 1869 and retired in 1894, when the paper was taken over by a company. Bell died on 4 February 1899. His estate was worth £13,555.

1 AAEC 638/99, National Archives.
2 G. McLean to Hall, 18 June 1871, MS Papers 1784, Vol. 34, Hall Papers.
3 ODT, 1 September 1882.
4 New Zealand Examinet, April 1867.
5 Ritchie to James Maclehose, 12 March 1877, p. 328 and p. 348, Ritchie Papers.
6 G. Scholefield (ed.) A Dictionary of New Zealand Biography, Vol. 1, p. 64.
7 AAEC 638/98, National Archives.
Mitchell, John

John McNair Mitchell was born in Glasgow in 1830. He was apprenticed to an engraver, but shortly after he became a journeyman, he went to Victoria and commenced a business with the Hon. James Fergusson. The firm grew rapidly. In 1862 he went to Dunedin and decided to stay, taking over the New Zealand business of Fergusson & Mitchell on his own account. Mitchell took no part in public life apart from some fund raising for unemployment relief in the 1890s. He died on 29 August 1914 and his estate was sworn for probate purposes at under £80,000.1

Wise, Henry

Wise was born in Edinburgh in 1836 and went to Australia in 1858. He arrived in New Zealand in 1861 and began business as a stationer.2 Wise died in 1922. His Probate File (7940, Dunedin High Court) reveals that his estate was worth less than £15,000.

Stock and Station Agents, Woolbrokers and Estate Managers

(Dalgety Nichols & Co, Power Pantlin & Co, Cargills McLean & Co, Russell Ritchie & Co, Murray Roberts & Co and Wright Stephenson & Co are already represented.)

Begg, Alexander Campbell

Begg was the son of the Rev. Dr Begg, a noted Free Church leader. He managed Robert Campbell & Son for twenty-five years. Before that he acted as cashier for John Douglas. Begg was renowned for "his

---

1 Otago Witness, 31 August 1914, p. 2.
2 Otago Witness, 24 June 1922, p. 43.
uncompromising adherence to the most rigid tenets and traditions of the church of his fathers." The Otago Witness wrote:

Mr A.C. Begg is never even moderately happy unless when he is leading a crusade against overwhelming odds and in direct defiance of public opinion, and is not supremely blessed except when he constitutes a minority of one. This peculiar taste is more creditable to Mr Begg’s courage than his modesty; in fact, no one cognisant of Mr Begg’s career would be likely to doubt which of those two qualities is most conspicuous in his character... Whenever a heresy hunt is to be sniffed in the breeze, there Mr Begg springs from his desk and (metaphorically speaking) dons a scarlet coat and reaching for a long and ugly whip he dashes off on the track of the game with gleeful anticipation and much declamation of the kirk-sessional equivalent for "yoicks" and "tally-ho". It matters little to him who follows, or whether anyone does enough that ‘the hunt is up’ and the game showing those signs of stress and trouble so delightful to the true sportsman with nothing to lose or risk.2

Begg died on 12 October 1907. No death duty was levied on his estate.3

124 **Brydone, Thomas**

Brydone was born in Peebleshire and brought up to agricultural and pastoral pursuits. For some years before he came to New Zealand in 1868, he was land steward to the Duke of Hamilton and the Earl of Buchan. In Otago, Brydone was Superintendent of the New Zealand & Australian Land Company. He experienced financial difficulties in the late 1880s. Ritchie encouraged him "not to think of bankruptcy" and told W.S. Davidson that Brydone was "begging and praying" to be released from his interest in Hyde Home station "as it is worrying his life out".4 This did

---

1 Otago Daily Times & Witness Otago Settlement Jubilee Number, Dunedin, 1898, p. 29.
2 Otago Witness, 12 June 1890, p. 23.
3 AAEC 638/100, National Archives.
4 Ritchie to Roberts, 20 September 1887, p. 217; Ritchie to Davidson, 9 March 1887, Ritchie Papers
not prevent him from trying to arrange a syndicate to buy up all the potato land around Oamaru the next year.\(^1\) He survived this financial crisis and in 1897 proposed to buy an ironmongery which had fallen into the hands of the BNZ. "He is an extraordinary man about his investments", marvelled Ritchie. "I have often urged him to try a bank deposit for a change!"\(^2\)

Brydone died in 1904 and his Probate File (4560, Dunedin High Court) reveals that his assets were worth £37,884. He left legacies to female members of the MacLean family, the daughters of Alexander Bartleman, Amy Roberts (later Mrs Menlove), Charles Bird (manager of the Dunedin Club) and to Knox Church.

\(^{125}\) Cargill, Francis Alfred
\(^{126}\) Langseine, Jules Eugen

The firm of Cargill & Langseine, woolbuyers, was short-lived. Langseine committed suicide in 1875 after his mind had been affected by "considerable losses in business".\(^3\) He arrived in Otago in 1864 from Sydney and was initially employed by Lange & Thoneman. Langseine was French Consul in Dunedin and a prominent Freemason.\(^4\) His Probate File (A 801, Dunedin High Court) contains no indication of the size of his estate, but it was sworn for legacy duty to be under £1,200.\(^5\) F.A. Cargill died in 1908. His estate was valued at £835.\(^6\)

\(^1\) Ritchie to Black, 17 August 1888, Ritchie Papers.
\(^2\) Ritchie to Stewart, 6 July 1897, p. 492, Ritchie Papers.
\(^3\) ODL, 3 May 1875.
\(^4\) ODL, 3 May 1875.
\(^5\) AAEC 615/2, National Archives.
\(^6\) AAEC 638/101, National Archives.
127 MacLean, John

MacLean was Henry Driver's partner until their bankruptcy in 1871. He died in 1880 and his estate was valued at £1,112. His brother, Lachlan, died insolvent in 1887.3

*Shipping Lighter and Steam Packet Agents*

(Dalgety & Co, G.S. Brodrick, Cargills & McLean, Harbour Steam Company, Keith Ramsay and J.B. Mudie are already represented.)

128 Guthrie, Henry

Henry Guthrie, brother of Walter, was forced into bankruptcy by the Colonial Bank in 1893, although it was clear that he had become insolvent some years earlier. After more than twenty years in business, he was able to pay his creditors almost nothing.4

129 Houghton, Henry

Houghton was born in England and brought up in London. He went to Melbourne in 1855 and engaged in coastal shipping ventures around Otago in 1861. His ships included the "Stormbird", "Oreti", "Express", "Wanganui", "Ahuriri", and the "Star of the South". He also owned a large receiving store at Waihola for the distribution of goods to goldfields. Houghton was for many years secretary of the Chamber of Commerce.5

---

1 For complications arising from the bankruptcy, see *Evening Star*, 12 August 1872.
2 *ODT*, 3 January 1880. AAEC 638/94, National Archives.
3 AAEC 638/96, National Archives.
4 *ODT*, 5, 16 December 1893.
5 *ODT*, 11, 13 April 1391.
He suffered two bankruptcies, the first in 1868 and the second in 1880.\(^1\) Houghton died in 1891 and his estate realised £166.\(^2\)

**Physicians**

(Eccles, Hocken and Hulme are already represented.)

130 **Reimer, Carl**

Reimer, a German, died on 7 July 1899. His Probate File (3473, Dunedin High Court) contains no valuation of his estate. No death duty was charged on his estate.\(^3\)

**Millers**

131 **Duncan, George**

Duncan arrived in Otago in 1849 and established the Water of Leith flourmill in 1859. He left for California in 1873, where he died in 1879.\(^4\) His Probate File (740) reveals that his estate did not exceed £10,000. The *Echo*, on 21 January 1871 wrote that Duncan was the only Dunedin member of the Council who "stood free from High Street influence."

**Leather and Grindery Merchants**

132 **Farquhar, Grant Preston**

Farquhar was born to Aberdonian parents living in London. He was a sailor in many parts of the world and eventually gained a first mate's

---

\(^1\) *Otago Gazette*, 1868. *Mercantile Gazette*, 15 May 1880. His assets in 1880 were £18,970 and his liabilities were £15,464.

\(^2\) AAEC 638/96, National Archives.

\(^3\) AAEC 638/98, National Archives.

\(^4\) *OPT*, 4 July 1873.
ticket. Farquhar saw life on the Australian goldfields and went into business in Melbourne. He founded a leather and grindery business in Dunedin in the late 1860s. In 1879 he joined Michaelis Hallenstein in a tannery business. The partnership was later carried on mainly with David Theomin. Farquhar remained a partner until his death in 1916. He was a member of the Congregational Church and later St Matthew's.\(^1\) Farquhar's Probate File (3685, Dunedin High Court) records that his estate was worth less than £49,000.

Ironmongers, Ironworkers and Iron Merchants

(Oliver & Ulph, Park & Curle and Kincaid McQueen are already represented.)

133 **Davidson, James** (Standard Iron Works)

The bankruptcy of Davidson & Conyers, ironworkers and contractors, was announced in 1883.\(^2\)

134 **Wilson, William**

Wilson was born in Kirkcaldy in 1819 and became an apprentice millwright. He served as a marine engineer and came to Otago in 1856, setting up his Cumberland St business - the Otago Foundry - in 1859.\(^3\)

Merchants


---

\(^1\) ODT, 24 July 1916.
\(^2\) Bankruptcy Gazette, 29 July 1882.
\(^3\) The Otago Daily Times & Witness Otago Settlement Jubilee Number, 1898, p. 45.
Appendix 3

Russell, W. & J. Scoular, Robert Wilson & Co, W & G. Turnbull & Co and Heymanson & Low are already represented.)

135 Ashcroft, James

Ashcroft was born in 1834 in London and worked for fourteen years in the firm of Redfern Alexander & Co. He emigrated to Canterbury in 1862 and worked for J.T. Peacock for a year. After coming to Otago, Ashcroft began business as a grain and produce merchant, being supported by Cargills & Co (a firm connected with Redfern Alexander) for five years. He edited the Otago Daily Times from 1878 to 1883, although another report has him editor of the Morning Herald in 1882. He was subsequently appointed Official Assignee, a position he held in Otago for nine years, and then in Wellington until his retirement in 1908. Ashcroft was member of the Anglican Synod. He died on 23 May 1911. A nephew committed suicide in 1889 after misappropriating money.

136 Barr, James

137 Barr, John Haddin

The firm of J & J.H. Barr failed in 1870 with assets of £2,500 and debts of £15,000. John Haddin Barr was made bankrupt again on 15 March 1904 and died in 1917. The Probate File of James Barr (no. 1129, Dunedin High Court) reveals that his assets were worth £2,762.

1 Dunstan Times, 28 September 1882.
3 ODT, 25 December 1889.
4 Insolvency File 114, 1870, Dunedin High Court.
5 Index of Bankrupts 1880-1940, National Library, Wellington.
138 Hayman, Henry (of P. Hayman & Co).

P. Hayman & Co was a branch of a Melbourne firm which had had its beginnings in Birmingham.\(^1\) Henry Hayman died in Kensington, London, and his Probate File (1517, Dunedin High Court) reveals that his estate was worth under £60,000. The business was continued in Otago by Max Cohn and Lachman and Max Hayman.

139 Law, Henderson

Law was born in Leith and educated in Stirling. He entered the employ of a Glasgow sugar merchant before going to Australia in 1851. He settled in Geelong and came to Otago in 1862, where he set up the firm of Morison Law & Co, with branches at Invercargill, Hokitika, Dunedin and Waikouaiti. The firm owned its own steamers. He became sole partner in 1867 and at one time was involved in the grain and flour business of Wilson Harroway.\(^2\) Law died in 1900 and his Probate File (3711, Dunedin High Court) reveals nothing about the size of his estate. No death duty was levied on his estate.

140 Stavely, William

Stavely appears in the bankruptcy of the firm Stavely Austin & Co in 1883. The business was stopped by the Bank of New Zealand, who had advanced £7,700 on overdraft.\(^3\)

---

2 *ODT*, 23 August 1900.
3 *Mercantile Gazette*, 12 May 1883. Murray to Dunedin Manager, 15 July 1882, General Manager Series, BNZ Archives. Murray wrote to the General Manager on 8 May 1883: “Stavely Austin & Co: I have stopped this firm... will be some loss but I hope not serious. The a/c is drifting - their capital is inadequate & I do not believe in the only member of the firm I know.”
Appendix 3

Insurance Agents


Gasfitters & Plumbers

(A. & T. Burt is already represented.)

Estate and Commission Agents

(Connell & Moodie, Gillies & Street and Charles Reid are already represented.)

141 Callender, Thomas

Callender was born in the east of Scotland in 1825. He was educated in Paisley and worked for his father, who was a tanner and currier. Callender arrived in Dunedin in 1866 and was initially employed as an accountant by Russell Ritchie & Co and Driver MacLean & Co. For many years he was in business on his own account as a leather and hide factor and commission agent. Callender died on 8 July 1902 and his estate was valued at £2,265.1 He was reported to have been an authority on Scottish literature and song. His wife was the daughter of a Presbyterian minister.2

142 Roberts, John Tonkin (commission agent)

Roberts was born in Cornwall in 1833 and worked in tin mines before coming to Victoria in 1856. He arrived in Dunedin in 1861 and spent two

---

1 AAEC 638/99, National Archives.
years on the goldfields before setting up in business as a commission agent in 1863. A successful mining investor, he died in 1912.¹

_Auctioneers_

(Driver Stewart & Co, Gillies & Street, M'Landress Hepburn & Co, D.M. Spedding and Wright Stephenson & Co are already represented.)

**143 de Carle, Edward**

Edward de Carle came to Otago from Melbourne where he apparently carried on a large business. He began a carrying agency in Dunedin and also acted as an auctioneer. His bankruptcy was announced in 1866 and he drowned in the Buller River in 1874.² His Probate File (315, Dunedin High Court) contains no valuation of his estate, but his assets were sworn for legacy duty as being under £100.³

_Accountants_

(R.H. Leary and Edmund Smith are already represented.)

---

² _Bruce Herald_, 12 April 1866. _Evening Star_, 24 May 1874.
³ AAEc 615/2, National Archives.
Appendix 3

Architects

(Mason & Wales and John McGregor are already represented.)

144 Lawson, R.A.

Lawson came to Otago from Melbourne in the 1860s.¹ He died in 1902. His Probate File (4219, Dunedin High Court) contains no details of the size of his estate. No death duty was levied on his estate.²

145 Wales, N.Y.A.

Wales was born in Northumberland in 1832 and educated at Jedburgh. He came to Otago from Victoria in 1861. Starting as a carpenter, he rose to become a builder and then an architect. He died on 11 November 1903.³

Brewers

(Wilson & Birch and Marshall & Copeland are already represented.)

146 Burke, Colman

Burke was born in Ireland and went to Victoria in the 1850s, entering the coal business in Melbourne. He was believed to have acquired considerable wealth. Once in Dunedin he started a large brewery at St Leonards. From the mid-1870s through to his bankruptcy in 1886 he appeared to have severe financial problems.⁴ G.W. Eliott complained that

---

¹ J. Stacpoole, Colonial Architecture in New Zealand, p. 95.
² AAEC 638/99, National Archives.
⁴ ODT, 30 April 1875.
Burke never had sixpence and would not pay his gambling debts. Burke died in 1892, by which time he was completely deranged.

147 Joel, Maurice

Joel was born in 1829 in North Shields and educated in Newcastle on Tyne. He was trained as an engraver and worked in the Birmingham and Sheffield goods trade. Joel went to Melbourne in 1853 and became a goldbuyer at Ballarat. He came to New Zealand in 1861 and set up a general hardware and ships chandlery business, before buying the Red Lion Brewery in 1864. Stock Mortgage 184 records that, in 1876, he assigned the brewery to George Turnbull and W. & J. Scoular to help him meet an arrangement with his creditors of fifteen shillings in the pound. He died in 1907 and his Probate File (6383) could not be located. McAloon values his estate at £11,000. It was reported that Joel was a near relation of Julius Vogel and had a remarkably similar appearance.

148 Keast, Charles

Charles Keast died in Victoria in 1907 and left an estate valued at £2,122. McCarthy died in 1880 and left an estate valued at £8,208. The Keast & McCarthy brewing firm was bought by Robert Neill and John Boyd for £18,000 and converted into a limited liability company. A large number of the shares were held in Melbourne and the Australian proprietors

---

1 *ODT,* 18 February 1886.
5 AAEC 638/100, National Archives.
6 AAEC 638/94, National Archives.
wanted the company to be wound up in 1885.\textsuperscript{1} The company went into voluntary liquidation in 1887.\textsuperscript{2}

149 Strachan, William

Strachan was declared bankrupt in 1876.\textsuperscript{3} His brewery property was assigned to a company in 1889 and the venture was wound up within a decade. He died on 1 July 1888 and his estate was described in tax records as "insolvent".\textsuperscript{4}

*Hotel Proprietors*

150 Hyman, Julius

Hyman came to Otago from Victoria and was in business as a jeweller and licensee of the Pier Hotel. He was a member of the Harbour Steam Company, precursor of the Union Steam Ship Company.\textsuperscript{5} He died in 1911, aged eighty-six, and his estate realised £42.\textsuperscript{6} Hyman was active in the promotion of the Keast & McCarthy Brewery Company, which was wound up in 1888. He was also a prominent Freemason and member of the Jewish congregation.

\textsuperscript{1} Bank of Australasia, Dunedin Manager to Inspector (Wellington), 23 July 1885; Dunedin Manager to O'Farrell (Head Office), 2 December 1885, ANZ Archives.
\textsuperscript{2} *ODT*, 20 May 1887.
\textsuperscript{3} *Mercantile Gazette*, 27 June 1876.
\textsuperscript{4} AAEC 638/96, National Archives.
\textsuperscript{5} G. McLean, "The Southern Octopus", p. 22.
\textsuperscript{6} *Otago Witness*, 23 August 1911, p. 51. See *ODT*, 6 February 1878 for a report of a farewell dinner to Hyman. AAEC 638/102, National Archives.
Drapers

151 Brown, Thomas (Brown Ewing & Co)

Brown Ewing & Co employed 150 people in 1874. Brown died in 1919 in Timaru and his Probate File (6393, Dunedin High Court) states that his assets were worth less than £140,000. He left money to the PSSA Ross Home and to his friend, Rutherford Waddell.

152 Ewing, Ralph

Ewing left the firm of Brown Ewing & Co in 1893 and died in 1915. He was born in Cragmill near Stirling and came directly to Otago in 1864. He never married. His estate was valued at £33,905.

153 Haynes, Daniel

Haynes was born in Noperton, Warwickshire, in 1832. He was the son of a farmer and was educated up to the age of thirteen. He was an apprentice draper in London and went to Auckland, via Victoria, in 1857. The drapery firm of Herbert Haynes & Co was opened in the early 1860s and had a branch at Lawrence. Herbert left the firm in 1872. Haynes was a director of National Insurance, but apart from this he played no part in businesses other than his own. Haynes was a Methodist. Two of his daughters married partners in the Christchurch drapery firm of J. Ballantyne & Son. He died in 1921 and his Probate File (7359, Dunedin High Court) states that his estate was worth less than £250,000. Haynes was regarded as "one of the richest men in Dunedin, and is well known to be a very wealthy man."
Inglis, A.

Inglis, T.

The *Echo* announced the death of the father of Alexander and the late Thomas Inglis in 1881. Inglis senior was said to have taken a deep interest in English politics and viewed issues from a Home radical point of view. Alexander Inglis died on 7 July 1887 and his estate realised £17,695.

Other Manufacturers

Gregg, William

Gregg was born in Ballymena, Ireland, and worked as a coffee and spice merchant in Ballarat. He was in business in Otago with John McClean until 1869. His first bankruptcy occurred in 1871 and his second on 3 September 1894. Gregg died in 1901 and his estate realised £766.

---

2. AAEC 638/96, National Archives.
3.
4. ODT, 20 April 1869.
5. Assignment in Bankruptcy, 7 July 1871. Insolvency File 75, 3 September 1894, Dunedin High Court.
6. AAEC 638/99, National Archives.
Appendix 3

157 Hallenstein, Bendix

Hallenstein was born in Brunswick, Germany, in 1835. He worked for five years in a shipping house in Manchester and emigrated to Victoria in 1857. He came to Otago in 1863 and spent most of the next ten years in Queenstown. After moving to Dunedin in 1873, he established the New Zealand Clothing Company (its premises were described in the Otago Daily Times on 18 August 1877). At that time the factory employed 400 staff. Hallenstein died on 6 January 1905. His estate was valued at £101,499.1 Michaelis Hallenstein appears to have left an estate in the region of £125,000.2

158 Hudson, Richard

Hudson was born in Chippenham, Wiltshire, and spent his early life at sea. He worked his passage to Lyttelton in 1865 and then went to Hokitika. He was employed by Griffen in Christchurch and set up his own business in Dunedin in 1868. After nine years the turnover of his business was £13,750 and he concentrated on chocolate after 1884. He was an advocate of the eight-hour day and was said to have been the first Dunedin manufacturer to discontinue work on Saturday afternoons.3 The Echo identified him as a member of the Free Thought Association.4 He died in 1902 and his Probate File (4303, Dunedin High Court) contains no valuation of his estate.5 No death duty was levied on Hudson's estate.6

1 AAEC 638/100, National Archives.
2 Probate File 4754, Dunedin High Court.
3 Sir C.V. Smith, Sweet Success, 1868-1968: One Hundred Years, R. Hudson & Co and Cadbury Fry Hudson, Dunedin, 1968.
4 Echo, 4 August 1883.
5
6 AAEC 638/99, National Archives.
159 Kempthorne, T.W.

Thomas Whitelock Kempthorne came to Otago from Melbourne, apparently as manager for Youngman & Co.\(^1\) He later took over this business with Evan Prosser.\(^2\) Kempthorne died in 1915 and his estate realised £70,756.\(^3\)

160 McLeod, John

The soap works of McLeod Brothers was described in the *ODT*, 4 October 1881. John McLeod was forced into bankruptcy in 1884.\(^4\) His Probate File (2403, Dunedin High Court) contains no helpful details. Allan Shearer McLeod, son of John McLeod, died in 1883. He was reported to have received a good education in Glasgow. He followed the diggings in Otago, at one time working underground at Nevis. He was one of the earliest members of the Free Thought Association.\(^5\)

*Coach Proprietors*

161 Chaplin, John

Chaplin was a member of an old English family and a former runholder in Australia. He took over the Cobb & Co franchise in Otago in 1868. Difficulties over his Oreti Railway contract caused him to file for bankruptcy in 1871.\(^6\) This is said to have been satisfactorily resolved, but it seems that Chaplin left Otago in 1871.\(^7\)

---

3. AABC 638/104, National Archives.
5. *Echo*, 12 May 1883
<table>
<thead>
<tr>
<th>Bankrupt</th>
<th>Adversity</th>
<th>Left Province</th>
<th>Under £5,000</th>
<th>£5-10,000</th>
<th>£10-20,000</th>
<th>Over £20,000</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bastings</td>
<td>Barton</td>
<td>Flaxman</td>
<td>Butterworth</td>
<td>Chapman</td>
<td>Barron</td>
<td>Burt</td>
<td>Birch</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£&lt;6,000)</td>
<td>(£13,000)</td>
<td>(£91,000)</td>
<td>(£47,704)</td>
<td></td>
</tr>
<tr>
<td>Campbell</td>
<td>Bathgate</td>
<td>Smyth</td>
<td>Connell</td>
<td>Low</td>
<td>Haggitt</td>
<td>Cutten</td>
<td>Hulme</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£6,650)</td>
<td>(£10,635)</td>
<td>(£10,593)</td>
<td>(£95,856)</td>
<td></td>
</tr>
<tr>
<td>Clowes</td>
<td>Burton</td>
<td>Proudfoot, G.</td>
<td>Fish</td>
<td>MacKerras</td>
<td>Paterson, J.</td>
<td>Douglas</td>
<td>MacNeil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£5,861)</td>
<td>(£5,861)</td>
<td>(£10,593)</td>
<td>(£59,856)</td>
<td></td>
</tr>
<tr>
<td>Copeland</td>
<td>Hyde Harris</td>
<td>Robertson</td>
<td>Howden</td>
<td>Smith, E.</td>
<td>Ziele</td>
<td>Gillies</td>
<td>Edmund</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£5,639)</td>
<td>(£11,643)</td>
<td>(£50,429)</td>
<td>(£50,429)</td>
<td></td>
</tr>
<tr>
<td>Hodgkins</td>
<td>McGregor</td>
<td>Walter</td>
<td>Jones</td>
<td>Quick</td>
<td>Glendining</td>
<td>Smith, J.W.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£15,216)</td>
<td>(£377,780)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leary</td>
<td>Marshall</td>
<td>Prosser</td>
<td>Park</td>
<td>Sise</td>
<td>Hazlett</td>
<td>Walcott</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£&lt;13,000)</td>
<td>(£128,386)</td>
<td>(£128,386)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paterson, R.</td>
<td>Murray, R.K.</td>
<td>Thoneman</td>
<td>Reeves</td>
<td>Reid, C.</td>
<td>Kennedy</td>
<td>Burns</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£12,222)</td>
<td>(£63,962)</td>
<td>(£63,962)</td>
<td>(£63,962)</td>
<td></td>
</tr>
<tr>
<td>McLeod</td>
<td>Reid, G.F.</td>
<td>Eccles</td>
<td>Wilson</td>
<td>Reid, D.</td>
<td>Ramsay</td>
<td>Bartleman</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£170,000)</td>
<td>(£21,310)</td>
<td>(£21,310)</td>
<td></td>
</tr>
<tr>
<td>Shand</td>
<td>Scanlon</td>
<td>Elliott</td>
<td>Brodrick</td>
<td>Reid, D.</td>
<td></td>
<td>Beal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£170,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matheson</td>
<td>Webb</td>
<td>Maddock</td>
<td>Fotheringham</td>
<td>Reid, J.</td>
<td>Gibbs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£43,033)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graham</td>
<td>McQueen</td>
<td>Power</td>
<td>Howorth</td>
<td>Stewart</td>
<td>Hackworth</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£44,765)</td>
<td>(£51,000)</td>
<td>(£51,000)</td>
<td></td>
</tr>
<tr>
<td>Davie</td>
<td>Holmes</td>
<td>Sholl</td>
<td>Isaac</td>
<td>Wain</td>
<td>Kenyon</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£51,000)</td>
<td>(£51,000)</td>
<td>(£51,000)</td>
<td>(£51,000)</td>
<td></td>
</tr>
<tr>
<td>Joachim (£18,647)</td>
<td>Carrick</td>
<td>Young</td>
<td>MacKenzie</td>
<td>Wright</td>
<td>Petre</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£68,129)</td>
<td>(£68,129)</td>
<td>(£68,129)</td>
<td>(£68,129)</td>
<td></td>
</tr>
<tr>
<td>Hepburn</td>
<td>Macassey</td>
<td>Smith, &quot;Darky&quot;</td>
<td>Mason</td>
<td>Guthrie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(£27,950)</td>
<td>(£25,594)</td>
<td>(£25,594)</td>
<td>(£25,594)</td>
<td>(£25,594)</td>
<td></td>
</tr>
<tr>
<td>McGlashan</td>
<td>Martin</td>
<td>Street (£33,193)</td>
<td>Royse</td>
<td>Scoular</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(£33,193)</td>
<td>(£75,521)</td>
<td>(£75,521)</td>
<td>(£75,521)</td>
<td></td>
</tr>
<tr>
<td>MacLean, H.J.</td>
<td>Howorth, H.</td>
<td>Howorth, J.</td>
<td></td>
<td>Morris</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(£1,279)</td>
<td>(£44,765)</td>
<td>(£26,181)</td>
<td>(£26,181)</td>
<td>(£26,181)</td>
<td>(£26,181)</td>
<td></td>
</tr>
<tr>
<td>Mudie</td>
<td></td>
<td></td>
<td></td>
<td>Hill Jack</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£22,150)</td>
<td>(£22,150)</td>
<td>(£22,150)</td>
<td></td>
</tr>
<tr>
<td>Roberts, W.C.</td>
<td></td>
<td></td>
<td></td>
<td>Hocken</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£39,577)</td>
<td>(£39,577)</td>
<td>(£39,577)</td>
<td></td>
</tr>
<tr>
<td>Stewart, C.</td>
<td></td>
<td></td>
<td></td>
<td>Stephenson</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(£88,000)</td>
<td>(£88,000)</td>
<td>(£88,000)</td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 4 - DIRECTORS AND CLUB MEMBERS FROM APPENDIX 3
APPENDIX 5

IMPORTANT OVERSEAS CONNECTIONS OF THE OTAGO BUSINESS COMMUNITY
BUSINESS CONNECTIONS OF
THE GIBBS FAMILY

RICHARD GIBBS

DIRECTOR
English Scottish & Australian Chartered Bank

VICARY GIBBS

DIRECTOR
Anthony Gibbs & Co

DIRECTOR
Queensland National Bank

CHARLES EDWARD BRIGHT

PARTNER
Gibbs Bright & Co

DIRECTORS
A.M.L.F.

SIR H.E.F.TOUNG
PARTNERS
F.G.DALGETY

AFILIATION
Bright Brothers

GEORGE JOACHIM

PARTNER
Cargills & Co / Cargills & McLean

N.J.GIBBS

PARTNER
Cargills & Co

JAMES ALEXANDER DOUGLAS

PARTNER
NZ & River Plate Land Mortgage Company

PARTNER
N.Z.I.M.A.Co

PARTNER
NZ & River Plate Land Mortgage Company

PARTNER
N.Z.I.M.A.Co

PARTNER
George Webster Done Station

FINANCE
Union Steam Ship Company

DIRECTOR
London Board

Family Connection

Note: The diagram represents the business connections of the Gibbs family, including various directorships, partnerships, and affiliations across different companies and banks.
GLASGOW CONNECTIONS OF
THE OTAGO BUSINESS COMMUNITY

DIRECTORS
City of Glasgow Bank

JAMES MORTON

New Zealand and Australia Land Coy

JOHN NICHOL FLEMING

Albion Company

LEWIS POTTER

Potter Wilson & Co

MURRAY ROBERTS & CO

RUSSELL RITCHIE & CO

2nd ATTORNEY
BUSINESS CONNECTIONS OF

SHAW SAVILL AND CO

AND THE ALBION CO

GALBRAITH

SHAREHOLDERS

NZ Meat Preserving Coy

DERRY

SHAREHOLDERS

NZ Agricultural Company

WALTER SAVILL

DIRECTORS

National Mortgage & Agency Coy

DIRECTORS

Albion Company

DIRECTOR

British & NZ Mortgage & Agency Co. (formerly, Corrills & Co.)

SHAREHOLDER

Bank of Otago

SHAREHOLDER

Union Steam Ship Company

PARTNERSHIP

Shaw Savill

Capt. LESLIE
BUSINESS CONNECTIONS OF
THE HANKEY FAMILY

T.A. HANKEY

J.A. HANKEY

Colonel FREDERICE HANKEY

E.A. HANKEY

J.T.H. HANKEY

F.A. HANKEY

THOMSON HANKEY

N.A. HANKEY
BUSINESS CONNECTIONS OF
THE GLYN FAMILY

H.C. GLYN
DIRECTOR
N.Z. Trust & Loan Company

G.G. GLYN
DIRECTOR
Union Bank

S.C. & R.M. GLYN
DIRECTOR
London Board, BNZ

P.C. GLYN
DIRECTOR
Dalgety & Co

E.C. GLYN
DIRECTOR
Glyn Mills & Co

Step Uncle / Step Nephew
H.G. GRENFELL

DIRECTOR
N.M.A.

DIRECTOR
Bank of England
APPENDIX 6

BUSINESS AND FAMILY CONNECTIONS WITHIN THE "INNER CIRCLE"
APPENDIX 7

NOTES ON CERTAIN MEMBERS OF THE CANTERBURY & OTAGO ASSOCIATION AND NEW ZEALAND & AUSTRALIAN LAND COMPANY

The prosperity of James Nichol Fleming in the 1860s was revealed in evidence during the trial of the City of Glasgow Bank directors. In the early years of the decade, he and his brother made annual profits which were measured in hundreds of thousands of pounds. They recovered well from later setbacks to average £93,000 a year between 1867-90.1

The Hankeys of London were also attached to both the Canterbury & Otago Association and the Land Company, and financed a substantial portion of their early land buying. This distinguished banking family had a long association with New Zealand, extending back to T.A. Hankey, an early director of the New Zealand Company. One member of the family was governor of the Bank of England for forty years and J.A. Hankey held a seat on the board of the NZLMACo.2

Another member of the New Zealand & Australian Land Company, James Wotherspoon, was a Glasgow confectioner. He invested in the meat preserving plants at Washdyke, Kakanui and Woodlands.

---

2 New Zealand Examiner, January 1866.
APPENDIX 8

BALES OF AUSTRALASIAN WOOL RECEIVED BY COMPANIES AND
PRIVATE FIRMS IN BRITAIN IN 1882

Mortgage and Finance Companies

Australian Mortgage Land & Finance Company 81,597
NZ Loan & Mercantile Agency Company 72,087
National Mortgage & Agency Company 12,969
R. Goldsborough & Co 7,640
British & N.Z. Mortgage & Agency Company 5,558
Total 190,378

Private Firms Receiving More Than 10,000 Bales

Dalgety Du Croz & Co. 83,524
Sanderson Murray & Co. 55,039
A.L. Elder 40,580
Young Ehlers & Co. 34,029
R. Brooks & Co. 30,764
F. Huth & Co. 25,488
Leishmann, Inglis & Co. 24,693
Redfern Alexander & Co. 17,414
E. Holt & Co. 15,163
F.E. Sturmfels 14,311
W. Grice 13,960
A. Barsdorff 13,168
J. Morrison & Co 12,731
Total 380,260

The nine banks operating in Australasia received a total of 80,451 bales in 1882. These figures are taken from A.B. Baxter, Banking in Australasia from a London Official's Point of View, p. 72.
APPENDIX 9

FURTHER NOTES ON THE CAREER OF DAVID PROUDFOOT

The Proudfoot brothers were of a belligerent and litigious disposition. It was truthfully said of David that his name was never out of the courts and that he was a mine of wealth to the legal firms who were lucky enough to receive his patronage. "The best talent that money could procure he always obtained."¹ The Otago careers of both men were full of incident. George Proudfoot was knocked down in a fight in the Octagon in 1876.² The Morning Herald, a great foe of the Proudfoots in its early years, reported in 1878 that:

[a] gaol officer of small size has been severely thrashed by a large and wealthy contractor for remarking to a friend that there are big rogues as well as little ones. The fracas took place inside a railway carriage, and the official, who went home to his wife in a severely discoloured condition, has had his sores dressed with golden ointment. Legal proceedings have thus been avoided.³

David Proudfoot and Donald Reid were involved in an altercation which became, for a time, "the talk of the town" in 1877. The dispute arose over payments claimed by Proudfoot under an arbitration award, which Reid, a member of the Government, refused to allow. Proudfoot's abrasive manner gave rise to the following exchange:

"I'll shove this roll of papers down your throat," said the Hon. Minister of the Crown.
"Do it; I should like to see you do it", said the contractor.
"You're a blackguard to talk to me in that way."
"You're a double-dyed blackguard to talk to me in that way."⁴

The Otago Guardian, well known as Proudfoot's mouthpiece, added a snide allusion to Reid's bullock-driving days in its account of the scene:

¹ Weekly Press. 26 March 1891.
² Lake Wakatip Mail. 4 October 1876.
³ Morning Herald. 19 November 1878.
⁴ Quoted in Bruce Herald, 7 April 1877.
the Minister... has not eschewed such a style of diction as may have been suitable enough in former circumstances... There is a terrible bathos when from that lofty pedestal he emits the familiar old vernacular, "You're a blackguard." It has such a tendency to ruffle the official veneer and make people see that it is only Donald after all.

Wrangling between Proudfoot's supporters and opponents marred the proceedings of the Otago Harbour Board in the 1870s. These factions split into warring parties over the question of the Dunedin dock in 1877. That year, a proposal was put before the Harbour Board to change the position of the dock from the site selected by the first Board. By June, the Board's discussions had "assumed the phase of whether or not the docks will be so placed as to give value to Mr Proudfoot's speculation in purchasing a large block of reclaimed land from the late Provincial Government." The new site would require Proudfoot, who had some of the associated construction contracts, to undertake more expensive works, yet he agreed to perform this extra labour for a lesser consideration. It would "immensely enhance" the worth of his reclamations and give him a monopoly of all the waterfront land between Rattray Street and the south side of the dock. Other speculators, including James Smith, also stood to gain. The Harbour Board, however, would lose much of the benefit of its right to reclaim land between Stuart and Rattray Streets, an endowment which Rattray considered was "the kernel to which they alone could look forward to for many years as a source of revenue." The opposition of Tewsley and Rattray was eventually abandoned in July, probably to avoid increasing expenses on contracts already let.

Relations between Proudfoot and a section of the Board continued to be poor. At one meeting Fish was moved to announce:

I will say, even though I be charged with being a partisan of Mr Proudfoot, that there seems to be too great a desire on the part of some members of this Board to sneer at Mr Proudfoot as a contractor... They appear to be dreadfully afraid of Mr Proudfoot, whose only fault is that is that he is a successful contractor - a man

---

1 Bruce Herald, 7 April 1877. The Guardian was edited by Proudfoot's brother-in-law, George Fenwick.
2 ODT, 14 June 1877.
3 ODT, 14, 23 June 1877.
4 ODT, 27 June 1877
5 ODT, 28 June; 7, 10 July 1877.
who is independent, and who does not care to bow to men who are no better than he is.\textsuperscript{1}

Fish may not have been a disinterested party in these matters. H.J. Walter later turned against him and, in 1884, made public allegations that Fish had received bribes from Proudfoot. Fish declined to challenge these assertions in a libel case and his inertia was widely interpreted as an admission of guilt.\textsuperscript{2}

Another row developed over legislation introduced by Macandrew to revest the wharf and quay reserves in the City Corporation. This hostile action would have weakened the Board by depriving it of endowment rent, reducing its capacity to borrow and develop the harbour. Revenue would have to be sought from increased taxation of shipping. These were outcomes calculated to increase the attractiveness of a Peninsula railway. A special board meeting was convened to pass a formal protest against the measure. Lively discussion was anticipated and it was rumoured that Fish intended to talk against time:

In confirmation of this opinion, at the appointed hour of the meeting Messrs Fish and Ramsay attended, each armed with a large volume, and the other members looked significantly at each other, and some regretted that they had only a light lunch.\textsuperscript{3}

Such concern was unnecessary. After a short time Fish, Walter, Ramsay and Robert Rutherford surprised the meeting by abruptly leaving. Those who remained "seemed quite a happy family and passed everything to their entire satisfaction."\textsuperscript{4}

The protest, however, was to no avail and Larnach and Macandrew sponsored other legislative attacks on the Board. Larnach attempted to have the Board's powers transferred to the City Corporation in September 1877. The \textit{ODT} commented warily:

As it seems unlikely that Mr Larnach would have evolved such a notion out of his own inner consciousness, and as it is at least probable that he only moves in the matter as a representative of the City, and without more than an official interest in the

\textsuperscript{1} \textit{ODT}, 22 August 1877.
\textsuperscript{2} \textit{ODT}, 21, 31 July 1884.
\textsuperscript{3} \textit{ODT}, 23 August 1877.
\textsuperscript{4} \textit{ODT}, 23 August 1877.
question, we may assume that there are others instigating this proposition.¹

In 1878, the Government determined to seize the Harbour Board's Crawford Street reserve for railway development. The reserve was an area of sixty-seven acres, running from Anderson's Bay Road to Lake Logan. It had an estimated rental value of £4,000 a year and formed an important part of the security for the Board's loans.² The Bruce Herald described this as "a move which for hardihood and audacity cannot well be surpassed."³ It argued that the real object of the transfer:

which has been set on foot by scheming speculators, is to lock up the Harbour Board's endowment so that that body may not be able to compete with the ring of monopolists who have secured well nigh the remainder of the warehouse sites, and to add to the cost of every ton of goods imported into Otago the expense entailed by an extra twenty five miles of railway carriage.⁴

The author of the conspiracy seemed to be Macandrew, who:

has been pointedly accused, and we do not see how he can satisfactorily answer the charge of acting to assist section speculators and the Peninsula and Ocean Beach Railway Company at the expense of a body which performs the most important functions in the exporting and importing work of the Province. He has never concealed his opposition to the Harbour Board and his predisposition for a railway to the Heads.⁵

Undeterred by widespread criticism of the decision, the Government took control of the land in 1879.⁶

Proudfoot, who had won the contracts to dredge and reinforce a channel in the upper harbour in 1876, soon fell hopelessly behind schedule with this work. In September 1878 the Board released him from these engagements - "contracts which notoriously he has been anxious to get rid of".⁷ A generous sum of £47,771 was

¹ ODT. 14 September 1877.
³ Bruce Herald, 15 January 1878. See also ODT, 1 January 1878 for Tewsley's comments.
⁴ Bruce Herald, 15 January 1878.
⁵ Bruce Herald, 15 January 1878.
⁷ Morning Herald, 27 September 1878.
paid in settlement of the work already performed. There were rumours at the start of the next year that Proudfoot himself would stand for the Board. Had he chosen to do so, his chances seemed good, since the desire "unanimously among our public men, including the mayor [H.J. Walter] is to have 'Davy' elected."¹ Tewsley, Proudfoot's great opponent on the Board, resigned at the end of the year and died shortly afterwards. The Morning Herald, noticing his departure, reflected upon his disinterested struggle against the influence of Proudfoot and his friends:

Those who are acquainted with the history of the Harbour Board know full well that gentlemen have been connected with it, of the purity of whose motives the citizens had reason to entertain grave doubts. They may have been paragons of probity - they were never convicted of actual dishonesty - but appearances were against them... Mr Tewsley was one of the first to find out that there were certain underhand agencies at work which tended to mar the success of the Board's scheme; and when he discovered these he resisted as best he could. We are not at all sure that he succeeded; but that was no fault of his; he did his best to frustrate the plots.²

These controversies were overshadowed by the charge of rape which was brought against George Proudfoot. It is clear that a great many people were convinced that the accused was guilty of the offence and that the Proudfoots had endeavoured to buy off the complainant and interfere with the juries and the police. Two panels of special jurors were unable to agree upon a verdict. Before a third trial could be arranged, the girl's family was induced to send her away. In an unusual move, the Government intervened and entered a nolle prosequi.

Necessarily making certain assumptions about what actually took place, the facts of the case may be stated as follows. George Proudfoot lived in a nine-roomed house at Forbury with his wife and their five children (all under the age of twelve). Isabella Angus, a carpenter's daughter, was the family servant. She was seventeen years old and had worked in the household for only a few weeks. Mrs Proudfoot was mentally unstable and inclined to be violent. One night Proudfoot had to remove his wife to a lunatic asylum. When he returned at about 11:30 pm, he allegedly entered the servant's room and raped her. He then came back soon afterwards and repeated the offence, the girl struggling and crying out. An

¹ Morning Herald, 6, 8 February 1879.
² Morning Herald, 12 November 1879.
employee of the Ocean Beach Railway Company testified that he was near the house around this time and heard no disturbance.\textsuperscript{1}

Isabella went back to her parents and they took her to see Dr Murphy. Dr Murphy behaved in a way that was hardly proper. Two hours after examining the girl he went to see James Mackay, David Proudfoot's partner, who shared offices with George Proudfoot on the corner of Princes and High Streets. Murphy told Mackay that the Anguses were contemplating a prosecution. An hour later he found George Proudfoot himself and told him the news. Dr Murphy was authorised to offer the family £200 to stop the proceedings. He made the offer, telling Mrs Angus that it would be best to drop the case and avoid her daughter's disgrace as he was sure no rape had been committed.\textsuperscript{2}

The Anguses refused the hush money. Proudfoot was committed by the Police Magistrate. Doctors Cowie and Stenhouse testified that there had been a recent loss of virginity. The Grand Jury returned a true bill against him and the case went to trial. In the meantime, George Proudfoot visited the Anguses to express contrition for his actions and to ask permission to wed Isabella (he now claimed to be unmarried).\textsuperscript{3} He was thus prepared, the prosecution argued, to disown his marital relations with another and brand with illegitimacy those who passed for his children.\textsuperscript{4} Proudfoot's request was declined. Fish later tried to discount the significance of this interview by testifying that he had been with Proudfoot that day and found him very drunk - so drunk, in fact, that he could not drive his buggy straight and the ribbons had to be taken from his control. The Anguses, however, noticed no sign of inebriation.\textsuperscript{5} They received several more visits from a friend of Proudfoot who offered to settle £3,000 on Isabella if she married him instead.\textsuperscript{6} The \textit{Morning Herald} hinted that attempts had also been made to influence the police:

\begin{quote}
It is... not generally known that if, in Dunedin, we have not had a repetition of the Scotland Yard scandal, it is due to the integrity, and not to the want of opportunity, on the part of a gentleman whose
\end{quote}

\begin{itemize}
\item \textsuperscript{1} ODT, 15 September 1877.
\item \textsuperscript{2} ODT, 11 September 1877. Dr Murphy admitted before the Medical Association that he had erred. The Association, after some discussion, accepted his explanation. \textit{Bruce Herald}, 8 February 1878.
\item \textsuperscript{3} ODT, 16 October 1877.
\item \textsuperscript{4} ODT, 18 October 1877.
\item \textsuperscript{5} ODT, 18 October 1877.
\item \textsuperscript{6} \textit{Morning Herald}, 15 January 1878.
\end{itemize}
duty it is to see that men who act as George Proudfoot is alleged to have acted shall not escape the consequence of their crime.\(^1\)

The Crown Prosecutor, "for reasons it is not necessary to state", preferred not to handle the case and Stewart and Denniston acted in his place.\(^2\) The remuneration they received from the Government was merely nominal.\(^3\) Smith and Chapman represented the defendant. They sought and obtained the exceptional privilege of having the case tried by a special jury. Denniston was perhaps unwise not to have opposed this application more strongly. The judge was uneasy about it. "Nothing", he said, "would tend to interfere with the belief in the entire impartiality of the administration of justice so much as the impression that any man possessed of means was in a position, in any case, to command a special jury."\(^4\) Members of such a panel would be drawn from a circle in which the Proudfoots were well known and special juries were capable of making improbable findings, as had recently been demonstrated by the case involving Mrs G.F. Reid.\(^5\) After consideration the judge agreed to the request, mainly on the ground that conflicting medical evidence might tax the intelligence of common jurors.

The case proceeded before a crowded court. Doctor Hocken swore that he found nothing to indicate the prosecutrix had been deprived of her virginity in recent times, though it may not be unfair to add that he owned one-fifth of the Ocean Beach Railway Co.\(^6\) Denniston's final speech "produced a powerful impression in court", but after being locked up overnight, the jury could not decide on a verdict.\(^7\) There were conflicting reports about how the jurors were divided. Correspondence in the Evening Star suggested nine were for conviction and three against.\(^8\) The Daily Times' informants were adamant that eight voted for an acquittal.\(^9\)

---

1 Morning Herald, 15 January 1878.
2 ODT, 16 October 1877.
3 Morning Herald, 15 January 1878.
4 ODT, 4 October 1877.
5 The Morning Herald later reported that there had been many unfavourable comments on the composition of the first panel of jurors. Morning Herald, 15 January 1878.
6 ODT, 18 October 1877. Company File 39, Hocken Library.
7 Evening Post, 19 October 1877.
8 Evening Star, 19 October 1877.
9 ODT, 19, 23 October 1877.
Although there was clearly a good case for having the retrial heard by a common jury and even in another town, a special jury, whose composition would be known fourteen days in advance, was again granted.\(^1\) A letter signed "A Woman" appeared in the *Evening Star* asking the editor to "advise the judge to appoint a jury of twelve women and I will guarantee that His Honour will not have long to wait for a verdict."\(^2\)

The second jury was also unable to agree, two of its members holding out for an acquittal. This news provoked much indignation in the city. It was reported that a change of venue would be applied for at the next trial, "and in support thereof strong allegations will be made on affidavit concerning certain members of the last jury."\(^3\) The *Morning Herald* did not wish to say that the jury had been tampered with, "but an instance has come to our knowledge which leads us to the belief that the attempt was not improbable."\(^4\)

A period of waiting ensued until the court resumed sitting the following year. During this interval it seems that the Anguses were offered inducements to send their daughter away so that she could not give evidence again, and that these were ultimately accepted.\(^5\) Rumours circulated that the Government wished the case to be terminated without a third trial but did not want the responsibility of bringing this to pass. Stewart and Denniston, however, refused to enter a *nolle prosequi* without specific instructions from the Court.\(^6\) W.H. Reynolds unwittingly revealed that the matter had been considered by the Cabinet, who had taken them into his confidence, and it was openly asserted that the Proudfoots already knew that George would be freed.\(^7\) The *Bruce Herald* sounded a note of warning:

> The scandalous action in dilly-dallying with the question of granting a *nolle prosequi* in the Proudfoot case, if it has not been actually done already, as is probably, cannot give confidence in the government. Political influence bought at the price of justice sold, or something very much akin to it, is even on the lowest grounds of expediency a fatal blunder... When confidence in the fair administration of the law is shaken, a spade should be called a spade, and words spoken that have no uncertainty. The conduct

---

\(^1\) *Evening Post*, 19 October 1877.
\(^2\) *Evening Star*, 19 October 1877.
\(^3\) *Evening Post*, 6 November 1876.
\(^4\) *Morning Herald*, 15 January 1878.
\(^5\) *Southland Daily News*, 3, 29 December 1877.
\(^6\) *Morning Herald*, 8 January 1878.
\(^7\) *Morning Herald*, 5, 15 January 1878.
of the Government is scandalous beyond expression, when in the face of facts palpable to everyone in the Province it hesitates as to the course it should take, and convinces wealthy vagabonds that no matter their offence, they can find safety in a divided jury, wholesale bribery and friends in high places. Already we see the circumstance is exciting attention in Australia...\(^1\)

Finally, on the 14 January 1878, the Government instructed the Crown Prosecutor to apply for the expected *nolle prosequi*. Those press organs that were not "bound hand and foot to the chariot wheels of the Proudfoots" spared nothing in their denunciation of this outcome.\(^2\) The *Bruce Herald* expressed outrage at the announcement:

The Proudfoot case has ended in the way in which we had expected from the shameless bribery that has gone on, and the abuse of political influence that has occurred in connection with it. We have no words to describe this failure of justice - there has been no trial, and the case is deplorable, lamentable, and scandalous beyond expression. From what has taken place of late, the conviction has been reluctantly forced upon us that justice is to be bought at a price in New Zealand, and that political influence can purchase immunity from crimes that cut away the foundations of society.\(^3\)

The *Evening Star* was no more guarded in its reaction to Proudfoot's escape. In its view, the case stood alone in the annals of criminal jurisprudence. Echoing the widely-vented opinion that Macandrew, Driver and Larnach had made sure the affair would be smothered\(^4\), the *Star* remarked, "the decision arrived at by the Cabinet was quite in accordance with those who knew the 'wire-pullers' and the 'wire pulled'".\(^5\) Readers were treated to an eloquent assessment of the case:

From first to last there has been a misprision of Justice, and gold has dipped the scale of her evenly adjusted balance. It is a shameful fact, but so it would appear to be, that the wealthy reprobate can break the most sacred laws with impunity - the midnight ravisher of those in his own household can walk the

---

1 *Bruce Herald*, 8 January 1878.
2 *Bruce Herald*, 10 January 1879.
3 *Bruce Herald*, 15 January 1878.
4 Ritchie to Russell, 16 January 1878, Ritchie Papers.
5 *Evening Post*, 15 January 1878.
streets in the insolence of impunity, his victim bought off, and the forms of law prostituted to his escape...
In the interests of public morality and in vindication of justice another trial by common jury, with a change of venue, should have been ordered... This was clearly a case in which a *nolle prosequi* should not have been entered. A *nolle prosequi* is unheard of [except] where there is such reasonable doubt as to the success of a prosecution as induces the Judge to recommend such a course. Has Mr Justice Williams made any such recommendation? We do not for a moment believe it. The plain fact is, that in a case where the evidence was so clear that no doubt was left in the public mind - so clear that it satisfied the committing magistrate, the grand jury, and, at the very least, fourteen out of the twenty-four Dunedin special jurymen - the Crown has stepped in and saved the criminal from the consequences of his guilt. Under the most despotic monarchy such a course would hardly be dared, but it now stands on record that under our boasted free institutions, and by a government whose watchword is the "equal rights of man", it has been proved to a demonstration that there is one law for the rich and another for the poor. Stripes and the dungeon for a Gately¹ - delicate handling and perfect impunity for a Proudfoot... The "Daily Times", of course, is silent. Its motto once was 'either I will find a way or make one'. But the motto has disappeared from the head of its leading column, and the old resolute spirit which would be outspoken, no matter the consequences, has disappeared under the fatal witchery of the "ring".²

---

¹ Gately was flogged for raping a child.
² *Bruce Herald*, 18 January 1878.
APPENDIX 10

RUNHOLDERS IN OTAGO AND SOUTHLAND: 1870

1 Aitken, Robert Walker and Harrison (5,800 sheep, Otago Gazette).

Before arriving in New Zealand in 1858, Aitken lived at Mona Vale in Tasmania. Harrison was his brother-in-law and it appears that the run was vested in Mrs Aitken's trustees under a marriage settlement. Aitken was only able to offer the stock as security.

The firm's indebtedness crept up in the following years. In 1869 Aitken & Harrison applied for an advance of £600 from the Union, having also borrowed £2,500 from the NZLMACo. That year, Aitken was also mortgaged to his wife's trustees, William Keach of Chiswick, Tasmania, and Francis Frederick Buller of Mararoa station and Carlton Hill, near Bothwell, also in Tasmania.

It appears that the rabbit plague forced Aitken & Harrison to transfer the run. Aitken is said to have "lost his battle and his money." C.S. Ross noted: "his health failed, and... he was obliged to part with his interest in the station. He settled in Invercargill, where he entered on a business enterprise which, owing to outside influence, was not crowned with the success which he deserved."

---

1 "Southland Clippings", pp. 107, 128, Hocken Library.
2
3
4
5 Stock Mortgage 102, Hocken Library.
6 "Southland Clippings", p. 107, Hocken Library.
2 Anderson, John (8,445 sheep, *Otago Gazette*, 1870)

John Anderson was a native of Caithness. Beattie describes him as a self-made man who had been a shepherd for his father on the Mornington Hills.\(^1\) He came to Otago in 1849 and became the first sheep inspector in Otago. He took up a run at Blueskin and later the Wyndham run, in which William Royse of Royse Mudie & Co was at one time his partner. He was apparently induced to leave Otago in 1882 as a result of the pressure for closer settlement, later complaining that farmers "... hunted the [pioneer squatters] as they hunted wild dogs and pigs after all their hardships they got no consideration no fixity of Tenure when in many cases there was no necessity [sic] for hunting them... I would not have owned a Run if they gave it me rent free."\(^2\) He then moved to Napier where he continued as a sheep farmer and apparently prospered. The parish records of the Wyndham Presbyterian Church indicate that he was an elder.\(^3\)

Anderson borrowed £1,673 from Butterworth Brothers of Dunedin (drapers) in 1863 and an additional £2,315 (on current account) from Driver & MacLean in 1865.\(^4\) In 1870 he applied to the NZLMACo for an advance of £8,000 on the security of 11,000 sheep, 500 cattle, 240 acres freehold and 50,000 acres leasehold. The directors resolved not to accept the application unless the advance was reduced to £6,000.\(^5\)

Anderson died in 1889. His obituary claims that he was known as "the father of scab" and was blamed for introducing this disease to the Province.\(^6\)

---

5. NZLMACo Minutes, 21 April 1870.
3  **Atkinson, Edward Bland** (21,000 sheep, *Otago Gazette*, 1870)

Atkinson was a native of Carlisle and arrived on the "John Wickliffe" in 1848. He was related by marriage to Thomas Ferens, his neighbour on Stotfold. The declaration of hundreds in 1865 resulted in the cancellation of leases over Clifton Falls, Stotfold and run 301. Atkinson borrowed heavily to buy freeholds.¹ In 1870 his indebtedness to the Bank of New Zealand amounted to £12,455 and he was reported to be seeking £9,000 from the Otago & Southland Investment Company.² The BNZ foreclosed that year.³

Atkinson was an early member of First Church and his occupation is given in the church register as being that of a carpenter. Hocken listed him as a storekeeper.⁴ Atkinson is referred to in Elwell's *The Boy Colonists* as having formerly been "a working man."⁵

4  **Baldwin, Captain William** (26,000 sheep, *Otago Gazette*, 1870)

Baldwin was the son of Henry Baldwin of Bandon, County Cork. He entered Trinity College, Dublin at the age of thirteen and is said to have had considerable success there before leaving to study divinity, then law, at Oxford. Owing to an inflammation of the lungs he decided to pursue a career in the army and it is reported that he purchased his company and served in India. He was wounded in the Mutiny and invalided. Baldwin came to Otago in 1860 and took up the Long Valley run. He was appointed a goldfields Warden and Resident Magistrate and was elected one of the first goldfields members of the Provincial Council in 1863.⁶

He married Janet, a daughter of Dr Andrew Buchanan, in 1863. In 1883 his daughter married Edmund W. Parker, the son of Lord Macclesfield. This

---

² NZLMA Co Minutes, 18 February 1870.
³ R. Pinney, *Northern Otago Runs*, p. 64.
⁶ *Daily Telegraph*, 23 April 1863.
marriage created a tie with Robert Campbell and Edward Wingfield Humphreys.

The pastoral depression caused a crisis in Baldwin's affairs. On 3 January 1868 he applied to the NZLMACo for £6,000 on the security of his 7/8ths share of the run, the remaining portion being owned by his father-in-law. This was declined. A further entry in the Loan Company minutes on 13 August 1868 records that Baldwin sought £9,000 on the security of 15,000 sheep and 80,000 acres of pastoral lease, and on 18 August 1869 it was reported that Baldwin was in "embarrassed circumstances". Latham Beal advised that, if Baldwin defaulted, the Loan Company would not best the market value of the run.1 Dalgety Rattray & Co were said to be supporting him for another season and they appear in 1868 as second mortgagees in the amount of £3,220.2 The run was transferred to Campbell & Low in 1870.3

Baldwin later became involved with Handyside and Roberts in the Patearoa run. It was reported that he sold his share to Hugh Handyside in 1875 for £28,000 or £1 per sheep, but this figure is likely to be excessive.4 For short periods of time he had interests in the Otago Guardian and Southern Mercury and he also acted as travelling commissioner in the Government Insurance Department. He died in 1917. Baldwin is mentioned in the proceedings of the Anglican Synod in 1881.5

Baldwin's brother, Lieutenant Godfrey Baldwin of the first battalion of the 11th Regiment, gained notice in the New Zealand press in 1873 when he walked from Glasgow to Edinburgh (about 50 miles) and afterwards stood guard at Edinburgh Castle.6

---

1 NZLMACo Minutes, 12 August 1869.
2 Stock Mortgage 68. See also NZLMACo Minutes, 15 September 1868.
3 NZLMACo Minutes, 29 March 1870.
4 New Zealand Times. 12 April 1875.
5 CP 46, Hocken Library.
6 Evening Herald (Wanganui), 21 July 1873.
Basstian, Christopher (24,246 sheep, Otago Gazette, 1872)

Basstian was born in London in 1820 and went to Tasmania at the age of two, where his family had a wine and spirit business and owned property. In 1878 the Invercargill manager of the Bank of Australasia informed his inspector that Basstian owned 7,000 acres of freehold land about sixteen miles from Invercargill and valued at £5 per acre, as well as Dunrobin station, which comprised 5,000 acres freehold and 55,000 acres leasehold. The station was overrun with rabbits and carried only 15,000 sheep. Dalgleish of Murray Dalgleish & Co stated that Basstian was worth £70,000 and he owed the Colonial Bank £11,000.\(^1\) The Loan Company declined his application for an advance of £5,000 in 1879.\(^2\)

Basstian's fortunes seem to have declined rapidly during the late 1880s. His account appears among the bad debts of the Colonial Bank at the time of its collapse and when he died his New Zealand estate was valued at £2,842.\(^3\) Dunrobin station appears to have been taken over by Dalgety & Co. Basstian died in 1895 and was an Anglican.\(^4\)

Bell, Francis Dillon (52,744 sheep, Otago Gazette, 1870)

A full account of Bell's life and background appears in Scholefield's Dictionary of New Zealand Biography, Vol. 1, pp. 56-61. (See also W.H. Oliver (ed.), The Dictionary of New Zealand Biography, Vol. 1, p. 23.) Bell was the son of Edward Bell, Hornsey, London, a merchant operating in France. In 1865 Bell borrowed £10,000 from John Jones on the security of his pre-emptive right over run 255. The run was reconveyed in 1868 and Bell then obtained £8,000 from Levin & Co, Wellington.\(^5\) Bell may have forged this tie with Jones as a result of investigating Jones's old land claim in 1856.

---

1 NZLMACo Minutes, 12 June 1879.
2 NZLMACo Minutes, 12 June 1879.
3 Probate File 598, Invercargill High Court. AAEC 638/126, National Archives.
5 Deeds 16/129.
Bell appears to have linked himself with the Anglican Church and his mother was the daughter of Rev. J. Matthews of Cirencester. He spoke fluent French and is said to have had a perfect command of Maori. He died in 1898 and his estate was insolvent at this time.

Bell, George Meredith (59,000 sheep, Otago Gazette, 1872)

See Volume One. Bell was born in Tasmania, the son of the Governor of the convict settlement at Hobart. He was educated at Hobart and Eton and came to New Zealand with a capital of £24,000. In partnership with Major General Maxwell - formerly of the Punjab, latterly of the Isle of Wight - he invested large sums in Southland property. A deed dated 17 August 1869 found in a box of unsorted Bank of Otago papers at National Bank Archives reveals that Bell had given a mortgage to the Bank for £10,000. The NZLMACo minutes of 13 September 1870 record that Bell had paid off a loan of £15,000 and a penalty of £75 for not consigning his wool to the Company.

Bell died on 9 June 1899. His estate was insolvent.

Borton, John and McMaster, Alexander (43,000 sheep, Otago Gazette, 1870)

Borton was born in 1826, the son of William Borton of Cottenham House near Banbury. He was trained as a surveyor and civil engineer and came to Otago via New Plymouth in 1849. He spent some time in Australia in 1852-53. McMaster was born in Stranraer, Wigtonshire. He is said to have received a good education and emigrated to Australia in 1842, where he was at various times a clerk, a journalist and a teller.

Stock Mortgage 17 indicates that the partners' liability to McLaren Renshaw & Co of Dunedin and to the Bank of New Zealand stood at

---

1 Bell is identified as a member of All Saints' congregation in Pam. 151/23, Hocken Library.
2 ODIT, 8 June 1874.
3 AAEC 638/154, National Archives.
4 AAEC 638/129, National Archives.
£13,000, and that further advances were not to exceed £40,000. The Probate File of Charles Nichols (632, Dunedin High Court) records that the partnership owed him £70,000 at the time of his death in 1879. Stock Mortgage 159, dated 12 May 1870, records Nichols' agreement to lend sums up to £2,000 to Borton, McMaster and Jane Gardiner, subject to a first mortgage to W.J.T. Clarke.

The NZLMA Co minutes of 10 September 1884 discuss the possible acquisition of Borton's account which was described as "one of the most valuable and undoubted accounts in the district. He has a large margin and the account will give us considerable influence and profit as will the wool from 25,000 sheep." It was proposed to allow him a margin of £6,000 on his working account and a loan of £4,000. All consignments were to go to the Loan Company after Borton's pledge to Dalgetys had been extinguished.

McMaster died on 10 September 1885. His estate was valued at £23,545.1 Borton's estate was valued at £2,810 at the time of his death in 1916.2 He is registered as having married in the Wesleyan Church.

9 Boyd, Allan and John (13,000 sheep, Otago Gazette, 1870)

The Boyd brothers were born in Ardgour and arrived in Otago on the "Mooltan" in 1849, while in their mid-twenties. They are described as shepherds in Hocken's passenger lists.3 H.M. Thompson writes that they "had good dogs in the early days but no horses and used to walk their boundaries."4

John Boyd died in 1898 and left an estate valued at £16,748.5 Allan Boyd died in 1913 (Probate File 2294) and his estate was valued at under £98,000.

---

1 AAEC 638/95, National Archives.
2 AAEC 638/104, National Archives.
3 M.S. Shaw and E.D. Farrand, The Taiieri Plain: Tales of the Years That Are Gone, Dunedin, 1949, p. 42. Otago Daily Times and Witness Otago Settlement Jubilee Number. 1898.
5 AAEC 638/98, National Archives.
10 **Boyd**, Captain John Theodore Thomas (10,000 sheep, *Otago Gazette*, 1870)

Burke's *Colonial Gentry* (Vol. 1, p. 209) states that Captain J.T.T. Boyd of Glenfern, St Kilda, Melbourne, was assistant military secretary to the General commanding the Australian colonies. In addition to Otakarama station he owned a large area of land in North East Valley, Dunedin. He is listed as a member of All Saints' congregation in 1866.¹ Stock Mortgage 192 records that he was mortgaged to the NZLMACo for £5,000 in 1879. This advance had been originally sanctioned in 1870.²

Boyd’s Probate File (443 Invercargill High Court) states that he died in Melbourne on 8 March 1891 and that his estate realised £10,800. He had been a captain in Her Majesty's 11th infantry regiment. Death duty was paid in New Zealand on the sum of £2,209.³

11 **Boyes**, Charles Crofton and Frank Campbell (20,029 sheep, *Otago Gazette*, 1870)

The Boyes brothers were sons of John Boyes of Hobart, Tasmania. George Meredith Bell and George Forbrace Boyes Poynter were cousins, and Bell was involved in the Kawarau Falls partnership in 1879-81.⁴ Boyes Brothers were clients of Henry Driver. C.C. Boyes married the widow of Driver’s brother in 1871.⁵ By 1870, Driver had advanced this firm £9,000. The mortgage was taken over by the Bank of New South Wales and later transferred to the NZLMACo.⁶ The Loan Company minutes of 28 April 1870 record an application for finance on the security of 80,000 acres of leasehold, 28,000 sheep and 300 cattle. An advance of £9,000 was sanctioned by the Company on 8 March 1871.

¹ Pam. 151/23, Hocken Library.
² NZLMACo Minutes, 2 September 1870.
³ AAEC 638/126, National Archives.
⁵ St Pauls Marriages 498.
⁶ Stock Mortgage 210, Hocken Library.
The Mercantile Gazette of 20 November 1880 records that Charles Crofton Boyes of Kawarau Falls and George Meredith Bell had granted a mortgage to Frank C. Boyes (then travelling) for £12,000. Bell is recorded as having borrowed £16,000 from F.C. Boyes in 1879.\(^1\)

The NZLMA Co minutes of 4 August 1886 contain the following report on the Boyes brothers, whose indebtedness then stood at £29,272:

... we are now in possession of the property and are waiting for a/c sales from London for last season's shipments before we take steps for realising and perfecting title to our securities. Captain Boyes [G.T.H. Boyes, Royal Navy] asks release from his liability to us. His letter to the directors pointed out that the firm of Boyes Brothers has been in existence since 1867. Captain Boyes has sunk £4,218 in the estate, and other absent members of the family have £6,318 at stake. Mr C.C. Boyes who is in the colony and has been throughout acting as manager, also put in some £5,118 of his own capital. Captain Boyes explained that between 1874 and 79 he had by way of income received £2,700 from the property which is all he had received in the nineteen years. He also explained that the Loan Company has possession of all the firm's assets.

Frank Boyes was still a partner and it appears that a sister held a second mortgage. Turnbull, the Invercargill manager of the Loan Company, advised that there was no chance of getting anything from either brother.\(^2\) An earlier report complained that C.C. Boyes was "extremely unreliable" and indicated that he might be sued for more recent advances.\(^3\)

C.C. Boyes was killed in a train accident in 1892.\(^4\) His estate realised £989.\(^5\) F.C. Boyes died in 1922. His estate was valued at £22,000.\(^6\)

\(^1\) Mercantile Gazette, 17 May 1879.
\(^2\) NZLMA Co Minutes 4 August 1886.
\(^3\) NZLMA Co Minutes, 3 February 1886.
\(^4\) R. Gilkison, Early Days in Dunedin, p. 144.
\(^5\) AAEC 638/97, National Archives.
\(^6\) Probate File 7907, Dunedin High Court.
12 **Brown**, Captain J.G. and **Stewart**, William (23,553 sheep, *Otago Gazette*, 1872)

F.W.G. Miller states rather vaguely that the ancestral estate of Brown's family was lost after being in their possession for centuries, and that this was a sore trial to him.¹ Brown was a native of Lanarkshire and arrived in 1863 via Nelson and Canterbury. He is reported to have left the colony in 1877 and died around 1883.²

This partnership appears to have begun in 1864 and ended in 1872, at which time the property comprised 40,000 acres of leasehold and 800 acres of freehold, carrying 19,000 sheep.³

At this stage Brown proposed to buy Stewart's share for £8,300.⁵

In 1870, the NZLMACo granted Brown's application for a loan of £5,000 on the security of 40,000 acres of leasehold and 18,000 sheep.⁶ In 1876 he applied for £7,000 in partnership with Thomas Lowther Barnhill.⁷ He appears to have sold his shares in Bellemont and Blackmount and transferred his ownership of Sunnyside to his son. The NZLMACo minutes of 1 May 1879 record that the Company had taken possession of Sunnyside station, over which it held a mortgage of £4,200. It was reported:

The Run has been worked for some years by J.R. Brown (the son) though the mortgage is in the name of the father (J.G. Brown). It is feared, however, there is no chance of making the latter liable beyond the amount of the original debt when he

---

¹ F.W.G. Miller, *West to the Fiords: The History of Western Southland*, p. 146.
² C.S. Ross, *The Story of the Otago Church and Settlement*, Dunedin, 1887, pp. 147-150.
³ NZLMACo Minutes 26 November 1872
⁴ NZLMACo Minutes, 18 June 1870.
⁵ NZLMACo Minutes, 4 December 1872, 19 May 1876.
gave up control (£2,000 to 3,000) and the property would if sold more than cover that.¹

A special report on the Loan Company's unproductive capital reveals that Sunnyside had been taken over and it was expected to cause of loss of £520. It was observed that "the property is of a class which can only be disposed of in good times."²

Barnhill arrived in the colony in 1859 in charge of a shipment of stock for Holmes and Campbell. He was forced off his Waiau stations by rabbits and the 1878 snow and subsequently managed Holmes's Castlerock station, eventually acquiring 10,000 acres of this property after Holmes's death.³ Holmes left Barnhill a legacy of £2,000 for his long and faithful service. In 1879, the Invercargill manager of the Loan Company wrote to his directors:

... appealing for some consideration (by way of commuting Company's claim) for Mr T.L Barnhill when he recently sold out to Mr Hare received £1300 only - of which we retained £800 to meet anticipated reclamation on last year's wool. This and other debts now aggregated some £1160, leaving Mr Barnhill almost penniless. His account has been a valuable and useful one, and he has been ruined by a succession of misfortunes. The Board regretted that they did not feel justified in committing the Company to any such allowance, but expressed a hope that our Invercargill officers might in connection with the properties coming into our hands for management find Mr Barnhill some suitable employment.⁴

Captain J.G. Brown was an elder of the Free Church of Scotland.⁵ Bishop Nevill noted that Mrs Brown was a sister of Dean Gordon. The Bishop formed "a sincere friendship" with Barnhill which "was not lessened by the fact that he was a Presbyterian, since he was a manly and sincerely religious man."⁶

¹ NZLMACo Minutes, 1 May 1879.
² Special Report on Unproductive Capital, NZLMACo, Alexander Turnbull Library.
³ C.S. Ross, Early Otago, p. 150.
⁴ NZLMACo Minutes, 27 March 1879.
⁵ C.S. Ross, Early Otago, p. 150.
Buchanan, Dr Andrew (21,630 sheep, Otago Gazette, 1870)

Buchanan was born in Jamaica in 1806, the son of a sugar planter. Fulton describes him as being six feet two inches in his stockings and notes that his family was considerably impoverished by the abolition of slavery.\(^1\) He graduated in medicine and surgery at Paris University and participated in the Polish insurrection. After this he undertook further study and graduated MD from St Andrew’s University. In 1833 he settled in the south of England and worked as a public vaccinator. He lived in London for twenty-five years, became governor of St George’s hospital and acquired an estate called Chingford in Essex. Buchanan brought his family to Auckland in 1857 and took up his Maniototo run in 1862. Falconer Larkworthy knew the Buchanan family in Auckland and recalled:

Then under Mt Eden on the Eastern side Dr Buchanan and his family lived. He had three daughters - two very good looking, and one plain - an invalid. One of the beauties married a Major Baldwin - a Gold Commissioner in the Otago Province who once assisted me... in a business difficulty brought upon me by the machinations of my banking opponents, which I shall describe hereafter. The other beauty, who it was said, was inclined to be irritable and jealous, for some reason not satisfactorily explained, horsewhipped a naval officer who was riding with her on the Onehunga Rd, and managed to offend her. She married W A Lowe, [Low] a Canterbury squatter, with whom I have had interesting correspondence on psychic questions.\(^2\)

Buchanan returned to England in 1874 and died in 1877. The net value of his estate in New Zealand was £11,175.\(^3\) He was a member of the Anglican Church and donated a window to St Paul’s.\(^4\)

\(^1\) R.V. Fulton, Medical Practice in Otago and Southland in the Early Days. Dunedin, 1922, pp. 82, 83.
\(^2\) Larkworthy Reminiscences, p. 1432.
\(^3\) AAEC 658/94, National Archives.
Drummond was a Director of the Standard Insurance Company in 1882 and Cable and Drummond appear to have had a significant shareholding in the Westport Coal Company.\(^1\)

In 1871, Cable and Drummond were mortgaged to John Reid of Dunedin for £2,500.\(^3\)

**16** Calcutt, Thomas and Menlove, Edward (12,661 sheep, *Otago Gazette*, 1870)

Edward Menlove was brought up on his father's farm in Shrewsbury. He spent ten years in Australia before setting up in business in Dunedin as a butcher in 1863. He remained in business until 1872. In 1864, he bought 4,000 acres at Waiareka. By 1874 he had increased the size of this estate to 14,000 acres. He was one of the first to experiment with large-scale wheat production and, between 1872-1877, had never less than 2,500 acres planted in wheat.\(^4\)

Thomas Calcutt was born in England and lived in Victoria before coming to Dunedin, where he was appointed Clerk to the Bench in Dunedin. K.C. MacDonald writes that he did not aspire to the manorial pretensions of his neighbour, John Reid.\(^5\)

Calcutt and Menlove made an unsuccessful attempt to sell Hyde Home (run 326) in 1869. At that time it comprised 50,000 acres carrying 20,000 sheep. After tentative bidding, the property was withdrawn at £22,100.\(^6\) Stock Mortgage 85 (1869) records that the property was at this time mortgaged to the Bank of New South Wales for £16,000.

Thomas Calcutt died on 26 May 1895 aged 62. His Probate File (2697, Dunedin High Court) contains no valuation of his assets and no death

---

2. AIBR, 6 April 1882. Share transactions involving these men are recorded in the minutes of the WCC.
6. *ODT*, 1 April 1869.
duty was levied on his estate. His freehold of 2,681 acres at Goodwood was mortgaged to Charles Nichols in 1875 for a sum not to exceed £12,000. By 1886 he owed the NMA Company £7,500. Menlove died on 25 July 1903. His estate was valued at £11,645.

17 Calder Blacklock & Co (14,254 sheep, Otago Gazette, 1872)

William Henderson Calder and John Blacklock were partners in a mercantile and stock and station firm in Invercargill. Calder first settled in that town as John Jones's representative. He left the colony some time in the mid-1870s and appears to have been living in Edinburgh in 1879. Blacklock came to Otago in 1856 and died in California in 1905. Calder and Blacklock applied to the Loan Company for a loan of £8,000 in 1867.

18 Cameron, Donald Angus (5,633 sheep, Otago Gazette, 1870)

Cameron owned Glenfarloch for nearly 60 years. He was born at Fortwilliam, Inverness-shire, the son of a carpenter and stonemason. He worked briefly for a small shipping firm before coming to New Zealand. Cameron was a Roman Catholic. He was involved in an earlier partnership with Angus Alphonse McDonald.

19 Campbell, Henry (48,000 sheep, Otago Gazette, 1870)

Little is known of the background of Henry Campbell. He is said to have been a nephew of Mathew Holmes and is listed as having a joint interest with Holmes in a station in Victoria. Holmes and Campbell were also

1 AAEC 638/97, National Archives.
2 Deeds 50/560; 52/477.
3 Deeds 68/467; 71/498; 83/404.
4 AAEC 638/99, National Archives.
6 NZLMA Co Minutes, 27 August 1867.
8 P. Chandler, Glenaray. p. 159.
joint owners of freehold properties in North Otago. In 1873, Campbell bought run 337 (Wanaka West station, 50,000 acres, 4,500 sheep, no improvements) for £4,000, and runs 338 and 430B (Wanaka East station, 65,000 acres, 13,000 sheep, horses and improvements) for £10,000.  

Campbell tapped various sources of credit including the New Zealand Trust & Loan Company (£7,000) and the British & New Zealand Mortgage & Agency Company. By 1887 his Wanaka station, carrying 47,000 sheep, represented a bad debt to the latter company of £68,793.

20 **Campbell junior, Robert** (27,000 sheep, *Otago Gazette*, 1870)

Campbell's grandfather was a lieutenant in the Royal Navy who came to New South Wales in charge of a convict vessel. He had sufficient means to embark on various whaling, sealing and mercantile speculations. Robert Campbell senior (of Buscot Park) made a fortune out of the rise in property values after the gold discoveries in Victoria and New South Wales.

Robert Campbell junior was born in England and educated at Eton. For the genealogy of the Campbell family, see P. Chandler, *Glenaray*, p. 113. Edward Chudleigh noted in his diary in 1868: "Miss Hawdon was married today... Miss Hawdon looked more lovely than ever. Campbell [Otekaike] her husband is rather a fine man and very rich but unpopular." 

An indication of the size of the Campbell empire in this country may be obtained from a report in the Loan Company minutes in 1871. The subject of a loan of £40,000 had been aired with Campbell, the security being about half a million sheep, a million acres and a clip of nearly 5,000 bales. The minutes of 12 April 1870 state that Campbell & Low had recently invested £150,000 to £170,000 in station properties in Otago and Southland. It

---

1 ODT, 31 March 1873.  
2 Deeds 21/96.  
3 Ritchie to Grenfell, 8 February 1887, Ritchie Papers.  
4 ODT, 3 November 1887; 12 December 1889.  
7 NZLMA Co Minutes, 13 June 1871.
appears that they capitalised on the pastoral depression and the large number of properties for sale to buy a number of leases for low prices.

Campbell died in 1889, but his Probate File (1743, Dunedin High Court) is unrevealing. There are details of the Oroua Downs estate and the administrators report that they had realised £69,000 between the death of Campbell and that of his wife. The Inland Revenue Register entry for his estate merely states that it was "over £20,000".1 Campbell's wife died in 1890 and her estate realised £46,400.2

21 Campbell, Robert and Low, William Anderson (105,500 sheep, Otago Gazette, 1870)

W.A. Low was the son of Thomas C. Low.3 He came to New Zealand on the same boat as Robert Campbell. In 1875 he sold his share of the partnership to Campbell for £34,000 and bought Glynn Wye, St Helens & Clarence runs in North Canterbury.4 He married a daughter of Dr Buchanan and was thus a brother-in-law to William Baldwin.5 The Dunstan Times of 4 February 1881 reported that Low was well known in that district and was the son of an early colonist of Nelson.

22 Canterbury & Otago Association (53,057 sheep, Otago Gazette, 1870)

See Volume One.

23 Cargill, John and Anderson, Edward Robert (28,682 sheep, Otago Gazette, 1870)

The fortunes of these runholders are discussed in greater detail in Volume One. During the liquidation of the British & New Zealand Mortgage & Agency Company, a report was filed which indicates that Anderson had a

1 AAEC 638/96, National Archives.
2 Otago Witness. 24 April 1890, p. 11. AAEC, 638/96, National Archives.
3 P. Chandler, Glenaray, p. 104.
4 Ritchie to Russell, 7 April 1877, p. 212.
5 P. Chandler, Glenaray, p. 105.
reversionary interest in 99 Westbourne Tce, London, (mortgaged in excess of its value) and that his mother was Lady Anderson.  

24 **Champion,** Edmund Percy (9,418 sheep, *Appendix to VPOPC,* 1870)  

Pinney advises that little is known about Champion. Dalgety & Co appear to have foreclosed on their mortgage over his property in 1868.  
A stock mortgage dated 2 March 1868 records that Champion was also mortgaged to Henry Monro, formerly of Lexington station in the Colony of Victoria, but then residing in France, for the sum of £2,500. Monro, who died in Spain in 1868, also held mortgages over the Schlotel brothers' property.

25 **Chapman,** Judge Henry Samuel and Charles William (14,390 sheep, *Otago Gazette,* 1870)  

According to Pinney, Chapman was born into a working family. Scholefield's *Dictionary of New Zealand Biography* states that his father was connected with the department responsible for defensive works around Britain. Chapman was at various times a bank clerk and journalist. His political beliefs brought him into close contact with J.S. Mill, Cobden, E.G. Wakefield, Ricardo and others. He was admitted to the bar in 1840 and three years later he became a judge of the Supreme Court in New Zealand. During the 1850s he occupied the position of Colonial Secretary in Tasmania and was elected to the Legislative Council of Victoria, where his proposals for electoral reform were supported by Vincent Pyke, among others. He resumed his career on the New Zealand bench in 1864.

H.S. Chapman died in 1881. His estate was valued at £19,048.  
C.W. Chapman later moved to Australia and became a stockbroker.

---

5 AAEC 638/95, National Archives.  
Stock Mortgage 40 records that the partners were mortgaged in 1868 to the Otago & Southland Investment Company for £6,000. A deed bearing the date 2 October 1869 and held among unfiled Bank of Otago papers at National Bank Archives records a mortgage to the Bank of Otago of £2,000. The run was held by the British & New Zealand Mortgage & Agency Company by 1885.1

26 Clark, Alexander MacIntosh (9,600 sheep, Otago Gazette, 1872)

The NZLMACo minutes of 8 March 1871 record that Clark had been declined an advance of £6,000 to Clark on the security of Linton station, consisting of 17,000 acres of leasehold, and 1,400 acres of freehold, and carrying 10,000 sheep. The directors considered that a better margin was necessary. Clark married a daughter of T.C. Low and was thus a brother-in-law to John MacGregor. He became run manager for the BNZ in Canterbury in 1874.2

27 Clark, Alexander MacIntosh and Holt, Francis Stirling Brown (21,100 sheep, Otago Gazette, 1870)

reported in 1864 that Holt had drawn a bill on his father-in-law, a man called Clough, who was "a wealthy banker."3 Holt was looking for a partner. He had recently invested £4,000 in station property and was considered to be "quite safe", having both means and respectability.4 In May 1867, he applied to the NZLMACo for a loan of £4,000 on the security of 8,500 sheep, 3,100 acres of freehold and 22,000 acres of leasehold. The Loan Company minutes of 18 June 1870 note that there had been some delay in the payment of a bill of £10,407 drawn by Clark & Holt, and that Holt was in Australia. The Loan Company had taken over a mortgage of £8,750 which had been granted to Calder Blacklock & Co.5 Chandler describes F.S.B. Holt as a shadowy figure:

1 R. Pinney, Northern Otago Runs, p. 126.
2 P. Chandler, Glenaray, p. 112.
3 S
4
5 Stock Mortgage 82.
His sudden departure from Birchwood, when it is claimed he left his wife and family to fend for themselves, was possibly the culmination of an increased load of debt contracted by the freeholding of his front country at Birchwood, to ward off speculative buyers, and his involvement in Mararoa Downs. He left Birchwood by August 1871, as the transfer of the property by Calder and Blackwood on 12 August was signed by the Bank of New Zealand as mortgagee, and by A.M. Clark, as attorney of Holt "now residing beyond the seas."\(^1\)

28 Clarke, William John Turner (54,473 sheep, *Otago Gazette*, 1870)

"Big" Clarke, also known as "Long" or "Money" Clarke was famous throughout Australasia. He began his career as a butcher's boy in Yorkshire and emigrated to Tasmania where he carted water to earn enough money to buy a butchery.\(^2\) He began a series of land speculations which were so successful that he came to be regarded as the richest man in the Australasian colonies. In his latter years his six foot frame developed a corpulence to match his capital. When he died in 1874, he owned 215,000 acres of freehold and left an estate valued at between three and four million pounds.\(^3\) He was the chairman and (with 15,000 shares) the largest shareholder in the Colonial Bank of Australasia.\(^4\) His estate in New Zealand was valued for legacy duty at under £150,000.\(^5\)

"Big" Clarke showed interest in southern New Zealand from an early date. In 1856 the Provincial Government invited him to buy 20,000 acres of freehold in Southland so that it could obtain quick cash and stifle the separation movement in that part of the Province. Clarke invested in Dunedin Corporation bonds and the Bank of Otago. His son, Joseph, was on the provisional directorate of the Colonial Bank of New Zealand. Some of his spare capital was laid out in mortgages by his agent, William Larnach. Borton and McMaster borrowed £10,000 from Clarke and Dr

---

1 P. Chandler, *Glenary*, p. 112.
2 *The Democrat*, 10 June 1897.
3 *Illustrated New Zealand Herald*, 12 March 1874.
5 AAEC 615/2, National Archives.
Appendix 10

Webster £11,000. In 1868, Clarke advertised his willingness to advance £300,000 in not less than £5,000 amounts.

"Big" Clarke was a great miser. Stories of his stingy habits, some of them possibly apocryphal, often appeared in colonial newspapers. It was said that he filled his pipe with cigar butts scavenged from the streets of Melbourne. According to the Echo, Clarke was once smitten by a serious illness and, fearing for his life, promised his doctor a flock of sheep if he was cured. Clarke recovered and made good his promise, but he insisted on shearing the sheep before handing them over. Another tale is that Clarke was once told that he was a fool for hoarding his money because his sons would only "knock down all the coin" as soon as he was dead. Clarke replied "well, if it gives them half the pleasure to spend it as it has given me to make it I am quite satisfied." His sons had the reputation of being as open-handed as "Big" Clarke had been parsimonious. They were certainly more liberal and, in the end, much less successful than their father. "Big" Clarke's grandson, Rupert, was no better. He distinguished himself by filling a piano with champagne at his last bachelors' party.

Thomas Clarke received a comparatively small share of his father's riches - two Tasmanian farms and the Quorn Hall property which were together worth around £160,000. The Southern Mercury attributed this to an argument they had had over Thomas's pack of hounds. William was left property to the value of £1.5m in Victoria, while his younger brother, Joseph, got 750,000 acres in South Australia, 50,000 acres in Tasmania, 50,000 acres at Moa Flat in Otago and shared with William in their father's remaining business interests.

Moa Flat was a valuable property for Joseph Clarke. He increased the freehold to 75,000 acres and ran 80,000 sheep - though rabbits would reduce

---

1 Deeds 44/532, 47/23.
2 Tuapeka Times. 11 July 1868.
3 Southern Mercury. 3 March 1877.
4 Echo. 16 September 1871.
5 Southern Mercury. 3 March 1877.
6 The Democrat. 10 June 1897.
7 Southern Mercury. 3 March 1877.
this number by half in the 1880s. In 1877 he leased the station to his manager, John Fry Kitching, for £20,000 per annum. The burden proved too much for Kitching, who was forced to relinquish the run. He became impoverished and his wife was forced to take in washing as a means of support. "Big" Clarke had acquired Moa Flat in the 1860s by advancing money at 17% to the Chalmers brothers who held the lease. Clarke used the unauthorised sale of fifty-nine mortgaged sheep as a pretext to foreclose and install himself as owner. An equity suit brought by the aggrieved brothers in 1877 resulted in Joseph Clarke paying £55,000 in compensation.

Burke's *Gentry* records that arms were granted to the Clarke family in 1882, and that William Clarke junior was an important benefactor of the Anglican Cathedral Fund.

29 **Comber, John Charles Brooke and Douglas, John Ambrose** (17,000 sheep, *Otago Gazette*, 1870)

Run 225 (Highfield station) was conveyed by John Ambrose Douglas, Charles Blomfield Douglas, Gerard Noel Douglas and James Rawdon Thaday MacNamara to Watson Shennan on 5 April 1873. The consideration was £15,033 and Shennan gave a mortgage to the vendors of £8,443. Comber gave a London address in one of the mortgage documents connected with the partnership. C.A. de Latour worked as a cadet for Comber and Douglas - Douglas and de Latour's mother having mutual friends at Cheltenham. He hinted that the partnership was not thriving in the early 1870s. Bremner recalled that Comber and Douglas "were Yorkshire men and had the right grit in them..." Comber was much older than Douglas. Bremner considered Douglas "a fine gentleman and a

---

1 ODT, 10 April 1877.
3 ODT, 10 April 1877.
5 Deeds 38/109, 41/776, 44/273.
6 Stock Mortgage 51, Hocken Library.
university man..."¹ Comber died on 16 February 1880 and was insolvent by that date.²

30 **Cook,** John Robert Wilson and **Graham,** Charles Christie (10,500 sheep, Appendix to VPOPC, 1870)

Charles Christie Graham was the son of a Fife doctor. He was educated at the Universities of St Andrew's and Edinburgh. In 1855 he emigrated to Victoria and successfully carried on business as a merchant in partnership with his brothers. He came to New Zealand and was elected MHR for Oamaru in 1869. Ben Lomond was sold to Robert Campbell at the end of 1869 for £24,500. Graham then moved to Rangitikei and began a flax-processing operation. This being unsuccessful, he became town clerk at Wellington, and later stipendiary magistrate and official assignee at Dunedin. Graham died on 27 December 1915 and left an estate valued at £1,533.³ His wife was a cousin of Dr Webster.

Stock Mortgage 76 records that in 1869 Cook & Graham were mortgaged to Cargills & McLean for £6,750. The NZLMACo minutes of 6 May 1870 note that Cook & Graham had disposed of their run to Campbell & Low and leased a valuable property at Wanganui.

31 **Cowan,** Cuthbert (15,800 sheep, *Otago Gazette,* 1872)

Cowan was born in Ayr in 1835 and educated at the Ayr Academy and Glasgow University. He joined the staff of the Union Bank of Scotland at Ayr and later spent several years in Glasgow. He came to Otago in 1857 and took up the Okaiterua run with James Macandrew. After disposing of this property he bought a farm of 2,400 acres and bred Romney sheep. He died in 1927 and left an estate valued at £25,689.⁴ Cowan was a Presbyterian and gave land for the Presbyterian Church at Fernhill.⁵ For

² AAEC 638/94, National Archives.
³ AAEC 638/104, National Archives.
⁴ Probate File 50/27, Invercargill High Court.
his unpopularity with the mining population, see *Tuapeka Times*, 28 September 1869.

32 **Cumine, William** (9,200 sheep, *Otago Gazette*, 1870)

Deed 28/501 states that Cumine was a merchant, formerly resident in Limerick, but latterly at Helensburgh. He appears to have died by 1869 and Deed 65/396 indicates that his estate was valued at less than £3,000. The NZLMA Co minutes for 27 November 1868 note that he held 3,000 acres freehold, 26,000 acres of leasehold and ran 8,000 sheep. His assets were valued at £20,000. An application for £10,000 is recorded in the NZLMA Co minutes of 22 February 1869. Deed 28/501, dated 18 January 1870, records a mortgage to John Low, secretary of the City of Glasgow Bank, for £6,705. Stock Mortgage 313 records that Jane Cumine, widow, of Horseshoe Bush, was mortgaged to George Turnbull of Dunedin, merchant, for £2,700. William Cumine's Probate File (211, Dunedin High Court) contains no further useful information.

33 **Cuthbertson, John Robert and Robert Ferguson** (9,600 sheep, *Otago Gazette*, 1872)

John Robert Cuthbertson was born in Glasgow in 1834 and educated at Glasgow University. He entered commercial life and emigrated to Melbourne in 1854. In 1860 he took up land in the Waiau valley and was joined by his brother a year later. When the run was sold in 1876, he formed the firm of Macrorie & Cuthbertson, auctioneers and land agents. He was also for some time editor of the *Southland Times*.

Robert Ferguson Cuthbertson was educated at Edinburgh University and trained as an accountant in Liverpool, where he was engaged in business until leaving for New Zealand. After the run was sold he practised as an accountant in Invercargill and was a foundation member of the New Zealand Institute of Accountants.¹

C.S. Ross writes that R.F. Cuthbertson:

... took the initiative in arranging our meetings at Otahu, which became the ecclesiastical centre of the district... His generous nature, broad sympathies, and deep religious convictions - all mellowed and refined as they have been of recent years by crushing sorrows - and his intensely earnest and conscientious devotion to duty, have won the affection of all who have intimacy of acquaintance with him.¹

John Cuthbertson received an advance of £4,500 from the Loan Company in 1870.² It is reported that rabbits nearly ruined the Cuthbertson brothers.³ J.R. Cuthbertson died in 1882. His estate was valued at £1,438.⁴ R.F. Cuthbertson continued to own a small flock of between 4,000-4,500 sheep in the 1870s, but disappears from the sheep returns before 1882.⁵ He died in 1913. His estate was valued at under £9,907.⁶

34 Dalgety Rattray & Co (15,000 sheep, Otago Gazette, 1870)

See Volume One.

35 Driver MacLean & Co (14,700, Appendix to VPOPC, 1870)

See Volume One.

36 Driver, Henry and MacDonald, Angus Alphonse (18,296 sheep, Otago Gazette, 1870)

The financial position of this firm in 1871 is recorded in Stock Mortgage 267. Driver & MacDonald owed £25,400 to Driver & Maclean and £12,416 to the Bank of New South Wales. The Islay station had been assigned to Driver & MacDonald by Charles Henry Armytage in 1867, the price being

¹ C.S. Ross, Early Otago, p. 147,
² NZLMACo Minutes, 7 July 1870.
⁴ AAEC 638/126, National Archives. Probate File 187, Invercargill High Court.
⁵ See NZLMACo Minutes, 3 July 1879. R.F. Cuthbertson left Otahu in 1881. New Zealand Presbyterian, 1 November 1881, p. 91.
⁶ Probate File 3469, Invercargill High Court. AAEC 638/128, National Archives.
£17,000. Driver & MacDonald paid £5,600 in cash and the remainder was covered by a vendor mortgage.\(^1\) The Bank lost £4,900 from the failure of Driver & MacDonald.\(^2\)

MacDonald was born in Inverness-shire in 1835 and came to New Zealand via Australia. He died in Napier in 1916.\(^3\)

37 Dundas, John Francis (7,313 sheep, Otago Gazette, 1872)

This run was acquired by Captain McCallum in 1861 for £3,650. McCallum was a native of Inverness and Beattie writes that he always wore a kilt.\(^4\) In 1866 Dundas, a valued constituent, applied for an advance on behalf of his wife, Sarah, as administratrix in the estate of her brother the late Capt McCallum: £2,500 - 3,000. I agreed till next wool season… Mr Dundas is a gentleman possessed of considerable means.”\(^5\) The security for the advance was Glenure station.

Dundas appears in correspondence connected with the building of the Oreti Railway. It seems that he had worked under Brunel on the ”Great Western”, and his last employment before coming to New Zealand had been as Chief Engineer for the construction of part of the Caledonian railway and branches. He had been in business with McCallum in Edinburgh.\(^6\)

The Probate File of J.F. Dundas (344, Invercargill High Court) reveals that he died on 5 March 1888 and was formerly a Civil Engineer. His estate was valued for tax purposes at £1,748.\(^7\)

---

1 Stock Mortgage 14, Hocken Library.
5 T. Taylor to the Colonial Secretary, 16 February 1869, F & J, Vol. 10, p. 105, Hocken Library.
6 AAEC 638/126, National Archives.
Appendix 10

38 Elliott, John (12,000 sheep, Otago Gazette, 1872)

Beattie knew virtually nothing about this runholder except that he died in Brisbane in 1917, aged 84.\(^1\) His sheep were depastured on a freehold estate and Elliott disappears from the sheep returns before 1880.

39 Ellis, John (27,000 sheep, Otago Gazette, 1872)

John Ellis was born in Devon in 1809. He joined the Royal Navy and attained the rank of Captain. On retiring from the navy, he settled in Adelaide. The Five Rivers run was bought from W.C. Wentworth in 1864.\(^2\) Ellis died in 1873, at which time his address was given as Kensington Park near Sunbury in the County of Middlesex. His previous place of abode was Kleveland Hall, County Sussex. In addition to the Merivale and Five Rivers estates in Southland - comprising 63,320 acres of freehold and yielding a wool clip worth at that time £10,000 per annum - Ellis possessed £140,000 of real and personal estate in England and £203,960 in Australia. His estate in New Zealand was valued for legacy duty at under £25,000.\(^3\) His sons were John Chute Ellis, Thomas Ellis and Chaloner Chute Ellis. Owing to the rabbit plague, which "threatened to absorb the whole value of the estates", the executors sold Merivale to J.C. Ellis for £41,560 and Five Rivers to Thomas and Chaloner Ellis for £58,000.\(^4\)

Ellis was a director of the Bank of Otago and it appears that he purchased some of his Southland estate in 1866 to help the Southland Provincial government to liquidate its debt to the Bank.\(^5\) John Ellis later transferred Merivale to James Ashbury, who became bankrupt and committed suicide.

---

1 H. Beattie, The Southern Runs, p. 222.
3 Probate File 367, Dunedin High Court. AAEC 615/2, National Archives.
4 Probate File 367, Dunedin High Court.
Ellis resumed possession of the run and is said to have lost heavily, presumably as a result of the depression.¹

Bishop Nevill visited Ellis (whom he described as Captain Ellis) at Merivale and secured from him a promise to give financial support to the Anglican Church in this district. He noted that Ellis had valuable property in Australia and talked of settling at Merivale.²

40 Fenwick, C.L.C. (10,500 sheep, Otago Gazette, 1870)

The Fenwick brothers - Fairfax, William and Charles Lewis Clayton - were sons of a wealthy family from the north of England. Their father, Charles Fenwick, was British Consul in Elsinore.³ C.L.C. Fenwick died in 1875. His estate was sworn for probate purposes to be under £5,000 in value.⁴ This was later revised upwards to £5,200.⁵ Fairfax Fenwick died in 1884. His estate was valued at £4,535.⁶ In 1881 he applied to the Loan Company for £13,000 on the security of 5,400 acres of freehold, 21,000 acres of leasehold and 16,000 sheep. The report on the proposal described Fenwick as wealthy and reliable.⁷ Fenton states that the Fenwicks donated a glebe of ten acres to the Anglican Church.⁸

41 Fenwick, William (12,000 sheep, Otago Gazette, 1870)

William Fenwick had arrived in Australia by 1852. In 1872 he married Jane Hamilton, a lady-in-waiting to Queen Victoria.⁹ The estates of his wife's family in Scotland adjoined those of the Royal Family at Balmoral.¹⁰ He died in Salisbury, England, in 1894 and his estate realised £42,575.¹¹

¹ "Southland Clippings", p. 149.
⁴ Probate File 491, Dunedin High Court.
⁵ AABE 615/2, National Archives.
⁶ AABE 638/95, National Archives. Probate File 1179, Dunedin High Court, suggests a figure of £5,374.
⁷ NZLMACo Minutes, 28 December 1881.
⁸ J.A. Fenton, A Sketch of the Founding and Progress of the Anglican Church in Otago, Dunedin, 1898, p. 5.
⁹ R. Pinney, Northern Otago Runs, pp. 86, 183.
¹⁰ D. McKenzie, Otepopo, Dunedin, 1889, p. 16.
¹¹ Otago Witness, 27 December 1894, p. 27. AABE 638/97, National Archives.
Appendix 10

42 Ferens, Thomas (16,300 sheep, Otago Gazette, 1870)

Thomas Ferens was born in Durham and arrived on the "John Wickliffe". He was a teacher attached to the Wesleyan Mission at Waikouaiti. Ferens borrowed heavily to finance the purchase of freehold on Stotfold. Stock Mortgage 158 records that Charles Nichols (Dalgety & Co) held a mortgage of £8,725 in 1870. The NZLMA Co minutes of 28 April 1870 note an application from Ferens for a loan of £9,000 on 3,500 acres of freehold and 30,000 acres on run 134, carrying 8,000 sheep. The freehold and improvements were valued at £10,000. The Loan Company directors resolved not to accept the advance unless it could be reduced to £7,000.

Ferens was sold up in 1871 and afterwards became a butcher, agent and valuator in Oamaru. At various times he was also the owner of a bookstore and borough auditor. He died in 1888 in Oamaru. His run was next taken up by Philip Oakden and Matthew Ingle Browne, of Diggers Rest, Victoria. The partners borrowed £8,000 from the firm of Bateman & Co, London.

43 Fulton, John, James and Francis (14,016 sheep, Otago Gazette, 1870)

James Fulton was born in India, the son of Major Robert Bell Fulton of the Bengal Artillery and of Lisburn, County Antrim, and was born in India. The Fulton lineage is described in Burke's Colonial Gentry. James Fulton was taken to Ireland as a boy and trained as a surveyor and engineer before emigrating to New Zealand in 1848. He was a member of the 1856 Squatters' Association. His run 223 (Matakanui) was transferred in 1884. He died in 1891 and his Probate File (2125, Dunedin High Court) contains

---

1 R. Pinney, Northern Otago Runs, p. 208.
2 Memorandum of agreement, 13 December 1871, between Thomas Culling (attorney for the Rev. Charles Creed and Charles Robert Creed) and Dalgety Rattray & Co. MS Papers 311, Alexander Turnbull Library.
4 Stock Mortgage 387.
6 R. Pinney, Northern Otago Runs, p. 130.
an inventory but no valuation of his estate. Death duty was paid on the sum of £19,897.1

Francis Crossly Fulton appears to have spent most of the latter period of his life outside Otago and died in 1901. His estate was valued at £6,585.2 The Hon. James Fulton appears on the records of St Paul’s Cathedral, but he was also closely associated with the Presbyterian Church.

44 Gellibrand, William St Paul and Smith, Francis (56,700 sheep, Otago Gazette, 1870)

In 1883 the partners in this firm were William St Paul Gellibrand, Miss Gellibrand, George William Pogson and James "Darky" Smith of Dunedin.3 William St Paul Gellibrand was born in 1823, the son of William Tice Gellibrand, an English lawyer who became Attorney General of Van Diemen's Land and later edited The Tasmanian. His father was killed by aborigines near Geelong in 1837. William St Paul Gellibrand served in the House of Assembly in 1871-2 and 1874-86. He died in 1905.4 See the entry for James Smith in Appendix 3. The Pogsons appear to have been related in some way to the Gellibrands. T.L. Gellibrand, who was interested in the Otago estates of W. St P. Gellibrand, died on 9 November 1874 and left an estate valued for legacy duty at under £19,600.5 Joseph Tice Gellibrand owned the Omokoroa estate near Tauranga.6

1 AAEC 638/96, National Archives.
2 AAEC 638/75, National Archives.
3 AIHR, 1883,1-8, p.:..
5 AAEC 615/2, National Archives.
6 Bay of Plenty Times, 26 April 1879, 4 March 1880.
45 Glassford, James Glassford Gordon (28,136 sheep, Otago Gazette, 1870)

Pinney reports that the Glassford brothers were the great-grandsons of John Glassford (1715-83), in his time the most important tobacco merchant and shipper of Glasgow. J.G.G. Glassford lived in style, keeping a coach and coachman, and was mainly interested in sport. He died on 2 October 1881 and his estate was valued at £39,682.

In 1867 Glassford applied to the Loan Company for £16,000 for two years on the security of 40,000 sheep. The interest rate was 10% and commission of 2.5% - to be shared with Driver MacLean & Co who had introduced the account - was to be charged on the consignment of wool. Glassford had already granted a mortgage of £12,000 to the previous owner. This arrangement with the NZLMACo lapsed in 1868 owing to the unsatisfactory position of the partners.

Stock Mortgage 90 (1869) states that Glassford was mortgaged to the Bank of New South Wales for "a large sum". This deed recorded an advance of a further £5,000. In 1872, Glassford's debt to the Otago & Southland Investment Company stood at £10,000.

46 Gordon, William Pile (19,500 sheep, Otago Gazette, 1870)

Gordon was born in the West Indies where his family had been sugar planters for three generations. After the emancipation of the slaves, the family went to England and later settled in New South Wales. Gordon also had land at Kartigi and Strath Taieri. He retired to Auckland around 1872. A daughter married Donald Reid in 1874.

1 R. Pinney, Northern Otago Runs, p. 128.
2 AAEC 638/95, National Archives.
3 NZLMACo Minutes, 27 August 1867.
4 NZLMACo Minutes, 3 January, 4 February 1868.
5 Stock Mortgage 312, Hocken Library.
Between 1868 and 1872, Gordon was mortgaged to James Alexander Douglas of London for £1,500. Stock Mortgage 80 records a loan from the Bank of New South Wales for £8,000 in 1869. The NZLMACo minutes for 12 April 1870 record an application for an advance of £7,000 on the security of 24,000 acres leasehold, 110 acres freehold and 19,000 sheep. The directors resolved to decline the application unless the principal could be reduced to £6,000.

47 Grant, Alexander and MacDonald, Allan and Donald (14,700 sheep, Otago Gazette, 1870)

Grant was a Dunedin storekeeper and a member of the firm of Grant & Barron, merchants. William Barron was born in St Andrew's, Scotland and spent eighteen months as a storekeeper on the Otago diggings. Stock Mortgage 87 records the purchase of the run from Driver & MacLean for £18,000 in 1869. Stock Mortgage 305 (1872) records that Grant became bankrupt on 17 August 1871.

48 Gray, Robert (24,000 sheep, Otago Gazette, 1870)

Little is known about Robert Gray. His will describes him as a cotton spinner (presumably a manufacturer) of Glasgow. He died in 1880 in Bothwell, Scotland, and his Probate File (793, Dunedin High Court) contains no valuation of his estate. Death duty was paid on the sum of £50,470.

49 Gunn, George (115,101 sheep, Appendix to VPOPC, 1870)

George Gunn engaged in the speculative purchase of a number of Otago runs. He was able to retire on the proceeds at the age of 38 and died in St Kilda, Melbourne. His property in New Zealand was valued at £40,086 and his Melbourne assets amounted to more than £5,000.

1 Deeds 21/856.
2 P. Chandler, Glenaray, p. 132.
3 AAEC 638/94, National Archives.
4 Probate File 2223, Dunedin High Court. P. Chandler, Glenaray, p. 101. See AAEC 638/97, National Archives.
Hamilton, Captain James and Rowley, John Cotton (17,502 sheep, Otago Gazette, 1870)

Thomas Rowley, who appears in some of the legal documents generated by this partnership, was formerly headmaster of Bridgenorth School in County Salop, England. Don writes that he returned to Scotland in 1864. John Cotton Rowley is described in Deed 24/852 as having formerly resided at Alford station, Canterbury. He died on 9 July 1886 and his obituary records that he was the son of Thomas Rowley DD, an early settler in Canterbury. His Probate File (1399, Dunedin High Court) contains no valuation of his estate. No death duty was levied on his estate. He had an interest in the Shag Point coal mine at an early stage in its history. William Handyside was his son-in-law. The brothers Rowley married daughters of Archdeacon Matthias.

Hamilton was born in Scotland in 1821, and served as a Captain in the Bombay artillery. A brother had stations in Australia which Captain Hamilton sometimes visited. He left New Zealand in 1874 and died in Matlock, England in 1893. Bremner was impressed by his efforts in dispensing medical aid in the district. Hamilton was a prominent supporter of the Anglican Church in Otago. The Deanery reports of 1863 and 1866 identify both partners as lay members.

Thomas Rowley, then residing in England, was mortgaged to the Otago & Southland Investment Company in 1869 for £1,800. The securities were various parcels of land in the Moeraki district. Stock Mortgage 22 records that, in 1866, Hamilton, Thomas Rowley and John Cotton Rowley were

---

1 Deeds 24/852.
2 A. Don, Memories of the Golden Road, p. 103.
3 Otago Witness, 16 July 1886, also 19 August 1886.
4 AAEC 638/95, National Archives.
5 A. Don, Memories of the Golden Road, p. 103.
6 A. Don, Memories of the Golden Road, p. 103.
8 J. Rutherford (ed.), J.G. Bremner, p. 27.
9 Pam. 156, Hocken Library.
10 Deeds 24/852.
mortgaged to Redfern Alexander & Co for £5,000, the security being run 204 and 13,000 sheep.

Acland states that Thomas Rowley acted as agent for Robert Tooth of Melbourne. The Tooth family had several stations in Canterbury and Australia and are said to have belonged to a noted firm of Australian brewers.¹

51 **Handyside**, Hugh, John Stewart and **Roberts**, John (11,740 sheep, *Otago Gazette*, 1870)

This run was bought from J.G.G. Glassford in 1869 for £17,000. The price was considered a bargain.² Stock Mortgage 110, dated August 1869, records an outstanding debt to Glassford of £11,166. Ritchie wrote in 1874:

Roberts is going to sell Lauder Station 25000 sheep & 8000 lambs with fine improvements. price £23,500 after shearing. He is getting a little frightened of leasehold & would prefer to have the sovereigns & go into freehold by & bye. I believe he is right. At the same time the above looks cheap.³

The run was divided in 1882. Handyside and Roberts retained one division which they transferred to Ross & Glendining in 1883.⁴

52 **Hankinson**, Donald (16,960 sheep, *Appendix to VPOPC*, 1870)

Hankinson was born in either Kings Lynn or Lyme Regis, Dorsetshire. He is said to have contracted fever while suppressing the slave trade in West Africa.⁵ He arrived in Lyttelton in 1851 and died in Christchurch in 1877. His estate was valued at £7,511.⁶ Stock Mortgage 239 records that he was mortgaged to H.J. Gibbs (later of Cargill Gibbs & Co) for £1,500 in 1871. His

---

² R. Pinney, *Northern Otago Runs*, Ch. 16.
³ Ritchie to Russell, 20 July 1874, p. 113, Ritchie Papers.
⁶ AAEC 638/126, National Archives.
brother, Edward Mitford Hankinson RN, married a daughter of J.P. Taylor and died on 2 August 1884. His Probate File (253, Invercargill High Court) contains no valuation of his estate.

The Hankinsons were Anglican.1 Bishop Nevill wrote that Hankinson was "a charming and well-read man, and his wife, though very delicate, a gifted musician of a highly poetic and artistic temperament."² Nevill knew her father, the Rev. Dr Worsley, Master of Downing College, Cambridge, who was himself a brother of Sir Josey Worsley.³ Acland notes that Donald Hankinson was the eldest son of the Reverend Thomas Hankinson.⁴

53 **Healey, John** (16,000 sheep, *Otago Gazette*, 1870)

John Healey arrived in Otago in 1849. He is said to have been a "mariner" at the time.⁵ He began a successful business as a grocer and baker before taking up this run.⁶ After the run had passed from his possession he became station master at the Upper Port Chalmers railway station. Stock Mortgage records that Healey's partners were Richard Bowden Martin and Alexander Carrick. It seems that he assigned the run to this pair in 1867, although his name continues to appear on the sheep returns. Carrick and Martin filed a deed of arrangement in 1870.⁷ They were mortgaged to Cargills & McLean for £1,320 in 1867.

54 **Hill, Thomas Coke** (10,000 sheep, *Otago Gazette*, 1870)

Pinney was able to discover nothing about Hill's origins. Hill was mortgaged in 1869 to Henry Monro, then of the town of St Servan in the

---

1 See, for example, the report of the Anglican Synod, 1882, CP 46, Hocken Library.
5 M. Shaw and E. Farrand, *The Taieri Plain*, p. 43.
7 *ODT*, 30 May 1870.
Department of Ille et Vilain in the Empire of France, in the sum of £2,500. He was mortgaged to Dalgety Nichols & Co for £4,037 in 1870, and to the British & New Zealand Mortgage & Agency Company for £1,400 in 1882. Pinney states that he was forced off the run in 1884 by rabbits and indebtedness to Dalgety's, who owned the adjoining stations.

Hodge, John Ambrose and Henry Kirke (5,545 sheep, Otago Gazette, 1870)

The Hodge brothers were sons of the Rev. Charles Hodge, Vicar of Clareborough, England. Freeman Jackson and the White brothers were cousins of these men. The Hodge brothers were deposited in New Zealand by their father, who drowned on his return to England. They engaged in contracting and manual labour before taking up a run at Eglinton.

In 1869, the Hodges were mortgaged to Dalgety Rattray & Co for £1,600 on the security of 5,500 sheep. They later acquired the Mount Nicholson lease, but were driven off by rabbits and the disastrous snow of 1878. The NZLMA Co, through Henry Driver, had made heavy advances to M'Ardell & Hodge and Hodge & Co, and was obliged to take over the leases. M'Ardell & Hodge had mortgaged 30,000 sheep but mustered only 5,599 in 1879. Hodge & Co had mortgaged 8,000 sheep and mustered only 4,800.

The bankruptcy of John Ambrose Hodge was announced in the Mercantile Gazette of 6 February 1886. (He had changed his surname to Kirke after his second marriage.) McArdell's bankruptcy occurred in the same year.

---

1 Stock Mortgage 73. Monro died in 1869 and his estate was valued for legacy duty at under £25,000. AAEC 615/1, National Archives.
5 Stock Mortgage 930, Hocken Library.
6 NZLMA Co Minutes, 24 February, 25 September 1879.
8 Mercantile Gazette, 4 September 1886.
56 Holmes, Mathew & Son (9,500 sheep at Lee Stream, 4,500 at Awamoa, *Otago Gazette*, 1870)

See Volume One.

Holmes, Mathew and Henry Campbell (18,700 sheep, *Appendix to VPOPC*, 1870)

See Volume One.

Holmes, Mathew and McLean (9,000 sheep, *Otago Gazette*, 1872)

See Volume One.

57 Howell, Captain John (12,500 sheep, *Otago Gazette*, 1872)

Howell was born in Eastbourne, Sussex in 1809. He lost his father at an early age. It is said that his first employment yielded him threepence a week, and that he ran away to sea in a smuggling vessel. Apprehended by the coastguard on returning from France, he was released on account of his youth and later stowed away to Australia. Howell worked on whaling ships for some years. He spent two years in Tasmania and was sent to New Zealand in 1836 by John Jones. He also purchased land at Omeo and died in Sydney in 1874. His body was brought back to Riverton for burial.

Howell was a half-brother of Captain Stevens and a member of the Anglican Church. He married a daughter of Horomona Patu, the Kati Mamoe chief of Centre Island and, after her death, he married a daughter of Captain Brown, a sealer at Codfish Island. The NZLMACo granted him a loan of £10,000 in 1869 on the security of 10,000 acres leasehold, 4,000 acres freehold, 20,000 sheep and 500 cattle. A further £3,000 was advanced in 1871, at which time the value of Howell’s annual clip was thought to be

---


3 NZLMACo Minutes, 12 March 1869.
worth £2,500.\(^1\) His deceased estate was valued for legacy duty at under £27,390.\(^2\)

58 **Howell, Loughnan & Cocks** (40,000 sheep, *Otago Gazette*, 1870)

Stock Mortgage 14 (10 July 1868) describes the partners as Russell Howell of Boulogne, France and of Voltaire near Penzance in Cornwall, Robert James Loughnan of London, private gentleman, late of the Bengal civil service and Thomas Charles Loughnan, late of Boulogne. These men mortgaged runs 245 and 340, carrying 37,000 sheep, to James Rattray as security for the balance of their current account. T.C. Loughnan KC (Order of St Gregory) died on 9 November 1881. He was reported to have formerly been a civil servant in Bombay. He left £300 for the Roman Catholic mission at Cromwell.\(^3\) His estate was valued at £11,399.\(^4\)

Robert James Loughnan was a judge in the service of the East India Company. He died in Canterbury, England, in 1889. His son, Robert Andrew Loughnan, was born in Dacca in 1841 and educated in France and at Stonyhurst College and the Catholic University in Dublin. He emigrated to Australia with his father around 1861 and spent several years on his father’s run in the Murrumbidgee district before arriving in New Zealand in 1865. He managed Mt Pisa for a short time and then embarked on a career in journalism, dying in 1934.\(^5\)

The NZLMACo minutes of 13 September 1870 record that the partners were declined a loan of £30,000 on the security of 150,000 acres of leasehold, 44,758 sheep, 228 acres of freehold and 20 miles of fencing.

59 **Humphreys, Edward Wingfield** (14,000 sheep, *Otago Gazette*, 1870)

Humphreys was the second son of Erskine Humphreys, barrister, of Garthmyl, Wales. He came to Otago in 1864 and held the Garthmyl run

---

1 NZLMACo Minutes, 5 September 1871.
2 AAEC 615/2, National Archives.
3 Probate File 2624, Dunedin High Court.
4 AAEC 638/97, National Archives.
Appendix 10

until 1888, when he moved to Christchurch. Humphreys married Alice, the second daughter of the Hon. J. Hawdon, and was therefore a brother-in-law to Robert Campbell.¹

Stock Mortgage 30 reveals that Humphreys had paid off a loan to N.J.B. McGregor in 1869. His partner at the time was George McFarlan, a barrister of Christchurch, whose will is recited in Deed 86/409. Stock Mortgage 89 records that Humphreys owed the Bank of Otago £8,000 on the security of 16,000 sheep.

Deed 30/489 reveals that Humphreys also contributed £1,000 or 25% of the original capital of the New Zealand distillery company. He sold his share in this concern for £3,000 in 1873.²

Humphreys is said to have retired to Christchurch in 1885 and left for England in 1891, where he died the following year.³ At the time of his death, Humphrey's debts were uncovered by his assets to the extent of £1,311, though it was expected that these would be satisfied by the personal guarantee of his widow. The principal debts were £5,971 to the Bank of Otago and £7,657 to George Gray Russell.⁴ His estate was declared to be insolvent for tax purposes.⁵

60 Ibbotson, Charles (29,915 sheep, Otago Gazette, 1870)

Ibbotson was partner of F.G. Dalgety in the firm of Dalgety Ibbotson & Co. He died in Geelong in 1883.⁶ His estate was valued at £14,028.⁷ A copy of his will is attached to Deed 88/346.⁸ Frederick William Ibbotson continued to run the property.

² Deeds 41/823.
³ H.M. Thompson, East of the Rock and Pillar, p. 46.
⁴ Probate File 2205, Dunedin High Court.
⁵ AAEC 638/97, National Archives.
⁶ Otago Witness, 27 October 1883, p. 17.
⁷ AAEC 638/95, National Archives.
⁸ See also H. Beattie, The Southern Runs, p. 267.
61 **Johnstone**, William (10,500 sheep, *Otago Gazette*, 1872)

Nothing is known of Johnstone except that he was present in Otago in 1858.¹


MacLeod Orbell wrote that his father, John, had done little but foxhunt in the first 28 years of his life: "He was no businessman unfortunately, and it was during the financial crisis of 1842 that he lost his money; hence our coming to New Zealand."² Herbert Meyer came to this country on the same ship as the Orbells and remarked in his reminiscences that Orbell had lost his money and friends had helped the family to emigrate.³ F.L. Mieville wrote that John Orbell was "a real old English gentleman, one of the olden time".⁴

John Orbell died on 14 January 1879 and his estate was valued at £1,041.⁵ MacLeod Orbell indicates that the family were Anglicans. John Orbell was a member of the rural deanery board in 1860 and is mentioned in Fenton's "Sketch of the Founding and Progress of the Anglican Church in Otago".⁶

It is interesting that the Jones and Orbell families were so closely linked in business and family relationships. MacLeod Orbell evidently nursed considerable resentment towards John Jones. He wrote that:

...not one other engagement [except Jones's initial grant of 20 acres] did Mr Jones fulfil that he entered into (verbally of course) with my father, before we left the "Mariner". To use a common phrase, he had fairly stranded us when he took us to Matanaka... Had we any knowledge of Mr Jones' character we certainly should not have placed ourselves in his power... He

---

² M. Orbell, "Reminiscences of My Early Life in New Zealand", p. 45.
⁵ AAEC 638/94, National Archives.
was a man of many parts, very impulsive, yet at times most aggressive and almost brutal. His temper apparently uncontrolable; it was difficult for those who knew him in later years to understand his treatment of those who came under his influence in earlier times. At the period of which I am writing he was all powerful, practically he was the only man in Otago that had money. He supplied Dunedin and the country settlers with the necessaries of life, and through his force of character dominated a large majority of those living in the Province. He made them bend to his rule. If anyone differed with him - had even a slight altercation he would knock him down, subsequently repent, and sometimes make him a present of a horse or cow for the injury he had done him.¹

Orbell also described how he and his brothers "used often to burn 'Old Johnny' (Mr Jones) in effigy with the scrub, during the evenings after dark, making as big a blaze as possible; the larger it was, the more we appreciated the roasting he was supposed to be getting."²

Alfred was not mentioned in the will of John Jones, but from newspaper reports of the famous incident between Jones and Captain Henderson it is clear that he was a son.³

63 Jones, William (12,500 sheep, Otago Gazette, 1870)

William Jones was another son of John Jones and married in the Wesleyan Church. He was mortgaged to the BNZ for £4,000 in 1870, but appears to have been in serious difficulties by this date.⁴ In 1869 he conveyed his lands to John Cargill and George McLean in trust for his family. Two years later he made over his life interest in his father's will and his household furniture and effects to Dr Hocken in trust for his wife. He died in 1874 leaving a wife and six children.⁵

² M. Orbell, "Reminiscences of My Early Life in New Zealand", p. 33.
³ Otago Witness, 12, 19 January 1861.
⁴ Stock Mortgage 194, Hocken Library.
⁵ Deeds 24/788, 39/299, 75/501.
64 Julius, Edric Adolphus and Reginald (19,300 sheep, Otago Gazette, 1870)

The Julius brothers, sons of George Charles Julius of Peterstone Court in County Brecon, Wales, were descended from a family that had lived for some time in the West Indies. They were brought up in Ireland and Adolphus practised law in England. Another brother, Herbert Amelius, died on 31 May 1868 at the age of 37 and left an estate valued at under £150. The brothers were related to the Jeffreys, Filleul and Valpy families. Fenton identifies them as early members of the Anglican Church in Otago. H.A. Julius was described by the Dunstan Times as an:

... upright and conscientious politician, attached to no party, and although a squatter, he never allowed the interests of his class to sway him... He was the very model of that now scarce class, but to which he legitimately belonged - the Irish country gentleman.

The NZLMACo minutes of 15 August 1867 record an application from the Julius brothers for a loan of £10,000 on the security of run 243 and 23,000 sheep. The run was valued at £9,000 without stock. There was an existing mortgage to a merchant for £4,000. The directors agreed to lend £6,000 if the clip was consigned to the Loan Company. The run, then carrying 25,000 sheep, was advertised for sale in the Otago Daily Times of 2 April 1870. That same paper announced the bankruptcy of E.A. and R. Julius on 12 August 1871.

65 Logan, James (23,754 sheep, Otago Gazette, 1870)

Logan was born in Kelso, Scotland, in 1816. According to Evans, he had little or no means when he left Scotland. It appears that his initial capital came from successes on the Australian goldfields. He purchased run 175 in 1862, and at the time of his death in Scotland in 1893 the net value of

---

2 Probate File A714, Dunedin High Court.
4 Dunstan Times, 12 June 1868.
his estate was £113,948, being chiefly made up of three estates in Scotland
and three large blocks at Popotunoa, Greenvale and Waipahi. He married
Louise Vastin Boucout, the sister of an Adelaide judge, and was a first
cousin of J.T. Thomson.1

66 **Low**, John (7,700 sheep, *Appendix to VPOPC*, 1870)

Stock Mortgage 9 (7 February 1862) indicates that Low was from Glasgow.
No other biographical information has been discovered.

67 **McDonald**, Donald and Allan (Queenstown) (14,700 sheep, *Otago Gazette*,
1870)

See Grant and McDonald. No information about the McDonald brothers
has been discovered.

68 **McGregor**, John and **Low**, Thomas Constable (23,400 sheep, *Otago Gazette*,
1870)

Thomas Constable Low was born in 1805 and became a hotelkeeper in
Braemar, Scotland. Beattie writes that he made money out of railway
construction. Low died in Scotland on 16 May 1881.2

John McGregor was Low's son-in-law and it is reported that they worked
together on the goldfields and ran a business in Queenstown.3 The two
men were among the first miners on the Arrow goldfield, where they
secured 82lb of gold.4 In answer to an enquiry about McGregor's suitability
as a Justice of the Peace, F.D. Bell wrote that he had "kept a public house in
Taieri Ferry some years ago, but is a respectable man enough. However, I
don't think a man who has kept a public house should be put in the

---

commission."¹ After losing the run McGregor returned to Scotland where his family had a large distillery business in Strathspey. McGregor is said to have developed it into one of the largest in Scotland.² McGregor and Low were both members of the Anglican Church at Riverton.³

Stock Mortgage 46 records that McGregor and Low bought the run in 1868 from George Printz for £28,820. Stock Mortgage 83 reveals that Printz was owed £15,000 in 1869. Printz died a wealthy man. It appears from his Probate File (789, Invercargill High Court) that he owned property worth £60,000. The will was contested by his wife, Matilda, on the grounds that it was made under the strong influence of his daughters, who were opposed to her. An attached affidavit of Robert Aitcheson states that Printz was a man of little or no education.

In 1869, the NZLMACo directors declined an application from McGregor and Low for a loan of £10,000 for three years on the security of 132,000 acres of leasehold and 15,000 sheep.⁴ This sum seems to have been advanced by the BNZ.⁵ The run appears to have been assigned to the Bank of New Zealand and was later sold to Robert Campbell.⁶

MacKenzie, Captain Francis Wallace (10,500 sheep, Otago Gazette, 1870)

MacKenzie was born in 1824 at Tarral, Tarbat, Ross-shire, the son of George McKenzie Ross. He was commissioned as ensign in the Bombay Native Infantry in 1841 and he served in the 8th Infantry in Scinde and was present at Hyderabad. In 1845 he was promoted to Lieutenant and appointed interpreter in Hindustani to his corps. two years later he was made quartermaster and interpreter in Hindustani and Maharatti. In 1851 he received a bonus for proficiency and was promoted to captain. On

¹ F.D. Bell to McLean, 21 October 1869, MS 32, Folder 159, Alexander Turnbull Library.
³ P. Chandler, Glenay, p. 105.
⁴ NZLMACo Minutes, 12 March 1869.
⁵ Stock Mortgage 4, Hocken Library.
⁶ H. Beattie, More About the Southern Runs, p. 47.
retiring from the army he went to Victoria and then to New Zealand in 1853.¹

On arriving in New Zealand in 1853 he travelled overland from Auckland to Wellington. In a published account of this journey, he mentioned attending a Free Church service in Auckland. He was later an elder in the Presbyterian Church at Tapanui.²

MacKenzie responded to the declaration of a hundred on his run by buying back much of the land on offer. At one of the auctions, "[i]t was remarked before the sale that the Captain intended going in big licks as he had filled his capacious wallet with Bank of New Zealand notes of all sorts and sizes, evidently prepared for stormy weather."³ Another observer complained about the lack of competition:

Captain MacKenzie never had a sale more his own way. There was an attempt made to blind the public but it was too apparent. However, it may have served the purpose in view. When a certain number of sections were purchased by the Captain he was heard to say, "Now I'll take a spell." This was the signal for Mr Moodie of Connell and Moodie, Dunedin, who was evidently acting for the Captain to start bidding; when section after section in quick succession was knocked down to that gentleman. At the last moment the Government sent instructions to the Warden to buy in three sections, on which a valuable seam of lignite was known to exist and which had been reserved. These sections were knocked down to the Government... notwithstanding the protests made by Captain MacKenzie against the Government opposing him.⁴

MacKenzie defended himself in the Otago Guardian:

I was the first white man here, and felled the first tree here, of which I made the first canoe, here, in which I put hundreds of travellers dry across the Pomahaka, and have continued to do up to the present time... I have bought nearly all the land that

³ Evening Star, 13 February, 1874.
⁴ Evening Star, 6 March 1874.
has been offered on my run; not because I had the most money, but because the land is what the Chief Surveyor and I reported a year ago, and people did not wish to buy it, as is proved by the fact that at auction no one bid when I abstained from bidding, and when I bid the most inferior land brought top prices. I have been here nearly 18 years. I have kept open house all that time, and in some way assisted most who came my way. I should like to know why I should not be considered as good... a settler as any. I assure you I consider myself more useful, if not better, than the whole lot of the self-elected members of the Tapanui Progress Committee put together. However they have never rested until they got me permanently fixed among them so the best thing they can do now is to make use of me, for, notwithstanding all that has passed, I am still the man to work for the district, and do my best to further its interests.¹

MacKenzie died on 5 December 1892 and his estate was valued at £23,061.² In 1885, his son graduated from Edinburgh Medical School with high honours.³ Robert Stuart, another runholder, was Mackenzie’s brother-in-law.⁴

70 MacLean, John (5,400 sheep, Otago Gazette, 1870)

The fortunes of the MacLean brothers are discussed in more detail in Volume One. A deed dated 15 September 1869 records that MacLean was mortgaged to the Bank of Otago for £1,100 on the security of 6,500 sheep on run 137. The property was at that time managed by his brother, Lachlan MacLean.⁵ Stock Mortgage 144 records that, in March 1870, the property was mortgaged to the BNZ for £6,000. John MacLean died on 1 January 1880 at Anderson’s Bay. His Probate File (754, Dunedin High Court) contains no valuation of his estate. Death duty was paid on the sum of £1,112.⁶

¹ Otago Guardian, 11 March 1874.
² AAEC 638/97, National Archives.
³ Otago Daily Times, 27 August 1885.
⁵ Miscellaneous Bank of Otago Deeds, National Bank Archives.
⁶ AAEC 638/94, National Archives.
Main, David Forsyth (18,804 sheep, Otago Gazette, 1870)

Main was a barrister of the Inner Temple and for twelve years was a pupil of Sir George Honeyman, an eminent lawyer. He was a member of the 1865 Pastoral Association. Main also operated a quartz mine on his run in the 1860s. Financial records disclose that Main carried an increasingly high burden of debt. In 1867 the NZLMACo turned down his application for £9,000 because the sum appeared excessive. He borrowed £7,000 from John Reid on the security of 25,000 sheep and £5,000 from Driver & MacLean. By 1876 he was mortgaged to the Bank of New South Wales for £15,000.

Main died on 27 July 1880 and his estate was insolvent. Given his earlier prominence in Otago politics, it is unusual that no obituary was published in the local newspapers. His Probate File (791, Dunedin High Court) reveals that he owed £16,780 at the time of his death. Taieri Lake station, apparently his main asset, was sold to J.C. Buckland for £18,000 in 1881. The Loan Company advanced Buckland £16,000 to effect the purchase and later assisted him to buy Waipori station for £6,000. By 1887, Buckland had been advanced over £37,360 on securities valued at only £29,000, and the Loan Company entered into possession.

Maitland, David (9,400 sheep, Otago Gazette, 1870)
Maitland, W. & G. (15,000 sheep, Otago Gazette, 1870)

James Pillans Maitland, George Hepburn Maitland, David Maitland and William Guthrie Maitland were all sons of Joseph Maitland, of the firm James Pillans & Co, Constitution Street, Edinburgh. For connections between the Maitland and Pillans families, see Deeds 90/30.
Maitland was born on 13 December 1830 and educated in Edinburgh as an accountant and actuary. He arrived in Otago in 1852 and married a daughter of Dr Williams. From 1874 he lived in Dunedin and in that year he became Commissioner of Crown Lands. He died in Dunedin on 22 August 1902, leaving an estate valued at £3,621. J.P. Maitland is said to have been an elder of Inch Clutha Presbyterian Church, though he later developed links with the Anglican Church. George Hepburn Maitland married a daughter of Major J.L.C. Richardson. He left Otago for Fiji in 1871, but seems to have been living in Invercargill in 1875. G.H. Maitland died on 29 May 1912 and left an estate valued at £4,151. David Maitland of Eweburn station died in Melbourne in 1875. His estate was valued for legacy duty at under £28,300. William Guthrie Maitland died on 14 June 1876 and his estate realised £9,998. The Maitland family sold its Hillend Estate to Adam Begg for £52,000 in 1874.

74  **Maitland, George Gammie** (9,500 sheep, *Otago Gazette*, 1870)

A letter written by the late Mr P. Chandler, dated 10 April 1987, mentions Robert Branks of London, "for whom R.B. Martin & Co were Dunedin agents. He was one of the creditors' trustees when George Gammie Maitland went bankrupt in 1869." It thus appears that Maitland was another victim of bankruptcy, although it has not been possible to confirm the original source of this information. It is recorded elsewhere that Gammie was the son of an Aberdonian doctor and was declared bankrupt in 1867 (this date seems too early.) By 1869 Maitland was mortgaged to the Bank of New South Wales for £11,000. The deed of mortgage indicates that he was formerly called George Gammie. The run was assigned to the Bank in 1870, at which time Maitland's address was Shotover Park.
Oxford.\textsuperscript{1} Jardine states that he had engaged in property speculations and had a retinue of ten servants.\textsuperscript{2}

75 **Martin, William** (7,000 sheep, *Otago Gazette*, 1872)

The only information which has been obtained is that William Martin - "of Melbourne" - bought Waicola from William Cameron and stocked it with cattle from Victoria.\textsuperscript{3}

76 **Turnbull, Robert McGregor and Greig, William** (32,000 sheep, *Otago Gazette*, 1870)

Gilkison states that Robert Turnbull arrived in New Zealand as a very young man in 1862. He held Linnburn for many years until he removed to the North Island where he died a very old man.\textsuperscript{4} On later legal documents his address is given as Keruru station, Hawke's Bay. William Greig was a leading businessman in Glasgow.\textsuperscript{5}

Don suggests that Turnbull was a Presbyterian elder.\textsuperscript{6} In 1884, Turnbull married the second daughter of W. Stewart of Clifton.\textsuperscript{7} Linnburn was put up for auction in 1877 to close partnership accounts, but the station continued to be held in the name of Turnbull & Greig.\textsuperscript{8}

William Greig's Probate File (261, Dunedin High Court) indicates that he was the brother of James Robert Greig, a merchant of Glasgow. His estate was sworn to be under the value of £100 and he died in Melbourne in 1871.

\begin{itemize}
\item \textsuperscript{1} Deeds 31/401.
\item \textsuperscript{2} D.G. Jardine, *Shadows on the Hill*, p. 160.
\item \textsuperscript{3} "Southland Cuttings", p. 113.
\item \textsuperscript{4} R. Gilkison, *Early Days in Dunedin*, p. 146.
\item \textsuperscript{5} R. Gilkison, *Early Days in Dunedin*, p. 146.
\item \textsuperscript{6} A. Don, *Memories of the Golden Road*, p. 394.
\item \textsuperscript{7} ODT, 24 June 1884.
\item \textsuperscript{8} *Otago Guardian*, 21 August 1877.
\end{itemize}
77 McIntyre, Hugh (15,500 sheep, Otago Gazette, 1870)

McIntyre was born around 1822 and is said to have been a shepherd in Scotland. While still in his native country, he befriended Alexander McNab and this connection appears to have led him to visit New Zealand.¹ Stock Mortgage 28 records McIntyre's purchase of Merino Downs and describes his former address as "Hamilton in the Colony of Victoria".

Stock Mortgage 86 records a mortgage to the Bank of Otago for £7,000 in 1869. McIntyre appears to have become a client of the NZLMACo through his friendship with Henry Driver. When McIntyre's entire run was thrown open for sale, he bought 37,000 acres on Driver's advice at a cost of £77,500. At this time he already held 6,000 acres of freehold and ran 40,000 sheep and 1,500 cattle. His liabilities stood at £52,000, including £22,500 advanced by Driver. The Loan Company directors were satisfied that the account was safe and agreed to further advances.² McIntyre died in 1883 at Waikari, possibly in Driver's personal care.³ He had by this stage become "a hopeless lunatic and imbecile."⁴ McIntyre's indebtedness to the Loan Company had crept up to more than £35,000 and, although no loss was expected, the Loan Company had still failed to recover its outlay by the turn of the decade. His Probate File (1058, Dunedin High Court) contains no valuation of his estate. Death duty was paid on the sum of £16,934.⁵

78 David McKellar & Jackson (Waikaia Plains. See AIHR 1869. 23,130 sheep, Otago Gazette, 1870)

The relationships between the various McKellars on the Otago sheep returns is sometimes confusing. Peter, David and Thomas McKellar were brothers. John and Malcolm McKellar were their cousins.⁶ Jackson has

² NZLMACo Minutes, 13 September 1876, 26 February 1880, 20 February 1882, 17 September 1884, 10 June 1885.
³ Otago Witness, 2 June 1883, p. 17.
⁴ Probate File 1058, Dunedin High Court.
⁵ AAEC 638/95, National Archives.
⁶ P. Chandler, Glenray, p. 105.
not been identified but may have been Freeman Jackson, who was in business in Wanganui several years later.

David McKellar was born in Argyll, the son of a tacksman. He trained as a surveyor and civil engineer and emigrated with his family to Australia. He died on 26 July 1892 in Mexico. In 1866 the NZLMACo declined David McKellar’s application for a loan of £23,000 on the security of 15,000 acres of freehold, 42,000 acres of leasehold and 30,000 sheep.¹ On 2 May 1867 the Loan Company agreed to lend £15,000 and on 15 August the minutes record that the station had been sold to G.M. Bell for £60,000. Bell took over the mortgage liability. The Loan Company minutes of 22 May 1879 report that David McKellar had taken his debt of £25,000 elsewhere and was expecting to obtain cheaper finance from friends at home.

Peter McKellar also trained as a surveyor in Glasgow. He died in 1884 and left an estate valued at £34,689.² The NZLMACo minutes of 18 April 1871 record an agreement to lend Peter McKellar £5,000 on 5,000 acres of freehold, 34,000 acres of leasehold and 28,000 sheep. The minutes of 23 May 1873 note that McKellar had sold his station and paid off a debt to the Company of £6,000.

79 McKellar, John and Malcolm (6,600 sheep, Otago Gazette, 1870)

John McKellar was declared bankrupt in 1883. He was thought to possess assets of £24,915 and liabilities of £20,202³ He died in Victoria in 1885.⁴ Malcolm McKellar died in 1899 and left an estate valued at £6,130.⁵

---

¹ NZLMACo Minutes, 19 December 1866.
² ODT, 13 November 1884. AAEC 638/126, National Archives.
³ Mercantile Gazette, 3 November 1883
⁴ Probate File 713, Invercargill High Court.
⁵ AAEC 638/98, National Archives.
80 Robert McLaren, Greig & Turnbull (18,300 sheep, Otago Gazette, 1870)

Robert McLaren of Moutere station was father-in-law to John M. Ritchie. William Handyside stated in 1872 that McLaren was the brother of an old friend of his.1 He died on 10 February 1899. His Probate File (3399, Dunedin High Court) gives no indication of the size of his estate.

81 McLaren, Renshaw & Co (11,100 sheep, Otago Gazette, 1870)

This was a branch of the mercantile firm of James Morrison & Co, Philpot Lane, London. The partners were James Wingate McLaren, of Philpot Lane and Hyde Park, and James Renshaw.2 Joseph R. Morrison, director of the Bank of Otago and of the Bank of India, Australia & China, and a subscriber to the New Zealand Scotch Trust was formerly a partner in Jas Morrison & Co.3

McLaren Renshaw & Co advertised their willingness to make cash advances on stock and station property and wool consigned to their London house.4 The partners were John Wingate McLaren and James Renshaw. They appear as mortgagees of a number of Otago runholders in this period. Renshaw may have been related through a cousin to the Bathgates. In 1887, N.Y.A. Wales described him as being one of the three largest local buyers of wool.5

82 McLean, "Big" John (105,000 sheep, Otago Gazette, 1870)

John and Allan McLean were two of the most successful runholders in Canterbury and Otago. Pinney writes: "I do not swallow the legend that they were poor crofters, for it would have been almost impossible to make a fortune as they did, starting in the Victorian goldrush, without some capital to work with. But there is no doubt they were diligent, thrifty and

---

1 William Handyside to Roberts, 2 April 1872, Roberts Papers.
2 See, for example, Stock Mortgage 19, Hocken Library.
3 Australia & New Zealand Gazette, 24 April 1863, p. 288. BT 2/212, Scottish Record Office.
4 Oamaru Times, 5 October 1865.
5 Wales to Halliburton, 27 February 1887, p. 324, Mason & Wales Papers.
opportunist". One version of the "legend" is that the ancestral home of the McLeans was "an inverted boat just above high-water mark." 

John McLean was born in 1818 on the island of Coll, Argyllshire, and emigrated to Australia in 1839. With his brother he engaged successfully in goldbuying and mercantile activities on the goldfields and invested in land. They sold out and moved to New Zealand in 1854 and at one time ran 250,000 sheep on 500,000 acres of land.

The NZLMA Co minutes of 21 August 1868 report an application by Buckley and McLean for a loan of £30,000 to buy land out of the hundreds. McLean estimated the value of his last season's clip at over £35,000. In a private letter to Donald McLean (who was apparently a relation), "Big" John admitted to being "much behind" with his banker. In 1871 he was still trying to extract the money he had loaned to McLean, pleading that "any disappointment would considerably embarrass me."

During the mid-1880s, McLean had sufficient free capital to loan £43,000 to the struggling Westport Coal Company. Around this time he was reputedly worth £30-40,000 per year. He died, unmarried, in 1902 and his estate was valued at £224,182. Despite his wealth, McLean was apparently regarded as a rather odd man. Hugh Handyside, for example, reported to John Roberts in 1877, "I met 'Big McLean' (of New Zealand)... he is a strange being."

---

1 A. Don, Memories of the Golden Road, p. 393.
3 McLean to Donald McLean, 13 October 1870, McLean Papers, Alexander Turnbull Library. In a letter dated 12 April 1872, McLean introduced "a cousin of ours."
4 John McLean to Donald McLean, 11 March 1871, McLean Papers, Alexander Turnbull Library.
5 ODT, 28 February 1887.
6 ODT, 26 October 1889.
7 AAEC 638/99, National Archives.
8 Handyside to Roberts, 1 August 1877, Roberts Papers.
83 McLean, D. & Co (10,730 sheep, Otago Gazette, 1870)

This run was apparently bought by Donald McLean of Hawke's Bay in 1861.1 At this time, T.B. Gillies, his Dunedin agent, advised that sheep were hard to come by and would cost at least 30/- per head.2 In a later communication he reported that sheep could not be had at any price, and the run was secured by the expedient of driving 3,000 sheep from a neighbouring run onto the land for a day or so.3 "Big" John McLean loaned Donald McLean £2,000 in 1867 and had difficulty recovering the money.4 Donald McLean left an estate valued at £106,704.5

84 McNab, Alexander (30,000 sheep, Otago Gazette, 1870)

McNab was born Argyll in 1809. He went to New South Wales in 1839 and was engaged on a station at Twofold Bay before leaving for New Zealand in 1855 in the company of Peter McKellar. McNab died on 4 August 1890 at Middleton Kerse House, Clackmamanshire, Scotland.6 His estate was valued at £64,000.7 Stock Mortgage 106 records that he was mortgaged to the Bank of New Zealand for £7,000 in 1869.

85 McNeill Brothers - Captain Alexander and Malcolm (14,970 sheep, Otago Gazette, 1872)

The McNeill brothers are referred to in more detail in the chapter on the New Zealand Agricultural Company. The Invercargill manager of the Union Bank indicated in 1872 that Malcolm McNeill, who lived in Scotland, wished to withdraw from the partnership, and Alexander required £10,000 to buy him out.8 After selling Ardlussa to the Agricultural Company for £9,000, Alexander moved to Wanganui. He

---

1 J.G. Wilson, The Founding of Hawke's Bay, Napier, 1951, p. 31.
2 T.B. Gillies to McLean, 18 March 1861, McLean Papers, Alexander Turnbull Library.
3 T.B. Gillies to McLean, 17 April 1861, McLean Papers, Alexander Turnbull Library.
4 John Mclean to McLean, 21 September 1870, McLean Papers, Alexander Turnbull Library.
5 AAEc 638/74, National Archives.
6 Otago Witness, 7 August 1890.
7 Probate File 411, Invercargill High Court. AAEc 638/126, National Archives.
8
was described by his banker at the time as: "Thoroughly reliable. A thorough gentleman and very well-connected and sooner or later will come into his brother Colonel M'Neil's property."¹

86 Miller, Walter (7,000 sheep, Otago Gazette, 1870)

Miller was born in Kelso and was brought up to sheep farming at Cheviot. He arrived in Otago in 1849 and was given charge of a flock of scabby sheep at Blueskin Bay. Miller later worked for John Cargill at Tokomairiro and took up a run at Mt Stuart, which he named Roxburgh. The nucleus of his flock was bought from John Jones at £1 per head. On the outbreak of the goldrushes, all Miller's staff deserted him and Miller ran a store at Tuapeka. Over time he acquired some 18,000 acres of freehold and the Oven Hill station at Miller's Flat. Miller died in 1898. He was a large man and was estimated to weigh fifteen stone.²

Stock Mortgage 265 records a mortgage to Cargills & McLean in 1871 for £13,000 (16,000 sheep). The NZLMACo minutes of 23 December note that Miller's account had long been regarded as unsatisfactory: "The obligant is not a reliable man." He owed the Company £12,452 on the security of his freeholds, and Allan McLean also held a mortgage of £25,000. Miller was adjudged bankrupt in 1884, at which time he owed the New Zealand Trust & Loan Company £48,000. The Official Assignee considered that no blame could be attached to Miller - the estate was a valuable one and in better times would have realised a large surplus.³

87 Miller, Walter and Henderson, John MacDonald (25,437 sheep, Otago Gazette, 1870)

Captain Henderson continued to own Oven Hills station for some considerable time. Webster suggests that he was an absentee.⁴ The Southern Mercury reported on 6 March 1874 that he had arranged to buy

¹ Otago Witness, 28 July 1898, p. 34.
² A. Webster, Teviot Tapestry, p. 26.
³ Bankruptcy File 53 under the 1883 Bankruptcy Act, Dunedin High Court.
2,000 acres of the best land on his run by special arrangement with the Government.

The NZLMACo minutes of 30 March 1870 refer to a dispute between Miller and Henderson. Latham Beal reported that there was no chance of an amicable settlement and an arbitration bond would shortly be signed, with W.H. Reynolds acting as arbitrator for Henderson and W.D. Murison for Miller. Henderson wanted to sell his run in 1879 and sought a replacement for his Dunedin agent, Francis Fulton. E.A. Hankey supplied William Murray with a letter of introduction, which stated:

In strict confidence, I wish to tell you that I am informed that Capt McDonald is a man of very peculiar temper, and, although I am told he is a man of some property, I wish you to understand that I know absolutely nothing of his means myself... I believe that in former years Capt McDonald was well known in Otago as "Capt Henderson"...1

88 Morris, Arthur William (11,742 sheep, Appendix to VPOPC, 1870)

It is unclear whether Morris held this run privately or in his capacity as manager of the Otago & Southland Investment Company. Morris's biography is given in Appendix 3.

89 Morrison, John & Co (30,000 sheep, Otago Gazette, 1872)

John Morrison was a cousin of Henderson Law of Dunedin and a member of the Invercargill firm Morrison Law & Co, which consigned wool to James Henty & Co of Melbourne. Morrison died on 21 July 1891. His Probate Fiile (433, Invercargill High Court) records that the NMA Company had foreclosed on the mortgage over his property before this date. Morrison’s estate was insolvent at the time of his death.2 C.S. Ross implies that Morrison was a Presbyterian, but apparently sent his children to be educated in England.3

1 E.A. Hankey to William Murray, 7 November 1878, enclosed in William Murray to Roberts, 6 January 1879, 625/9, Roberts Papers.
2 AAEC 638/126, National Archives.
Murison, William Dick and James (21,000 sheep, Appendix to VPOPC, 1870)

W.D. Murison was born at Alyth, Forfarshire in 1837, and educated at the High School in Edinburgh. He came to Otago in 1856 and took up a run with his brother two years later. Deed 22/815 records that the brothers were mortgaged to John Jones in 1868 for £10,826. It appears that Larnach and John MacLean also had an interest in Puketoi station in the early 1870s. The Murisons applied to the Loan Company in 1868 for an advance of £12,000.

The Murisons were forced off their run around 1872. William pursued his newspaper interests until his death in 1877. He was a member of All Saints Church. His estate realised £5,475. James Murison was adjudged bankrupt in 1882, at which time he was described as a sheep inspector.

New Zealand & Australian Land Company (105,936 sheep, Otago Gazette, 1870)

Deed 72/672 records that on 26 October 1869 the Company's lands were mortgaged for £390,000 to a syndicate comprising the following: Robert Stewart (of Ingliston, near Edinburgh, merchant & distiller), James Melvin (of Edinburgh, farmer), Walter MacKenzie (of Glasgow, accountant), Charles Gavidner (of Glasgow, banker), Colin Mackenzie (Peebles), Thomas Anderson (Glasgow, solicitor), Francis More (Edinburgh, accountant) and Alexander Moore (Glasgow, accountant).

2 Evening Star. 12 August 1872.
3 NZLMACo Minutes, 4 February 1868.
4 ODT. 29 December 1877.
5 Pam. 151/23, Hocken Library.
6 AAEC 638/94, National Archives.
7 ODT. 31 Oct 1882.
Appendix 10

92 Nielson, T.B. (8,500 sheep, Otago Gazette, 1870)

Bankruptcy File 97 at the Dunedin High Court records the insolvency of Thomson Bonar Nielson of Mt Royal, sheepfarmer, in 1870. The Mount Royal estate then passed into the hands of John Douglas.1 The proceedings of the Synod of the Presbyterian Church of Otago and Southland indicate that Nielson was an elder of the Presbyterian Church.

93 Orbell, Henry and Miller, Henry John (15,350 sheep, Otago Gazette, 1870)

Miller was born in 1830, the son of the Rev. Sir Thomas Miller, vicar of Froyle, Alton, Hampshire. The Millers were a prosperous family and H.J. Miller was educated at Eton and at Trinity College, Oxford, where he excelled in athletics and rowed against Cambridge. He travelled in France and Ireland before coming to Australia while still a young man.2 Miller arrived in New Zealand in 1860 and in 1864 married Jessie, the daughter of John Orbell.3 He died on 6 February 1918 and his estate was valued at under £60,000.4 Henry Orbell died on 7 April 1891 in Edinburgh. His estate realised £1,492.5 Orbell’s wife was Margaret McGlashan, a relation of Edward McGlashan.6 Orbell and Miller were both members of All Saints congregation in 1866.7

Stock Mortgage 67 records the Miller and Orbell were mortgaged to the Bank of New South Wales for £7,000 in 1870. Ritchie’s analysis of the British & New Zealand Company’s debts in 1887 raises questions about Orbell’s solvency. He then owned 3,868 acres of freehold, ran 45,000 sheep, but was mortgaged to the Company for £29,876 and owed a further £13,000 on a first mortgage to another party.8 The NZLMACo, which was approached with a view to taking up the loan, was advised that MacLeod

---

2 R. Pinney, Northern Otago Runs, p. 113.
4 Probate File 4578, Dunedin High Court.
5 AAEC 638/96, National Archives. Probate File 2020, Dunedin High Court.
7 Pam. 151/23, Hocken Library.
8 Ritchie to Grenfell, 8 February 1887, Ritchie papers.
and Henry Orbell owned roughly 75,000 sheep. Making allowance for commitments in the form of rent, working expenses and interest on other mortgages, there would be a possibility of paying interest on a loan of £30,000. The Loan Company minutes went on to note that "[t]he balances due to the British & New Zealand Mortgage & Agency Coy are of course considerably in excess of this sum, & so far as the operations of such a/cs are concerned a considerable annual leeway is shewn in the books of said Coy."  

94 Orbell, MacLeod Clement (18,045 sheep, Otago Gazette, 1870)

MacLeod Orbell left a memoir entitled "Reminiscences of My Early Life in New Zealand." He married a daughter of Colonel Bamford of the 73rd Regiment and had left Otago by 1891. Orbell died in Canterbury on 10 March 1914. His estate was valued at £18,000. The NZLMACo minutes of 7 July 1870 note that Latham Beal had declined Orbell's application for loan of £12,000 over 25,000 acres and 27,000 sheep.

Stock Mortgage 97 records a mortgage to Cargills & McLean, and it appears that this debt was taken up by the British & New Zealand Company, to which Orbell owed £43,727 on the security of 6,000 acres of freehold and 28,000 sheep.

95 Ord, Thomas Thompson (9,000 sheep, Otago Gazette, 1870)

Deed 25/807 records that Ord was mortgaged to David Pike Steel for £2,500. Ord died on 7 August 1873. His Probate File (342, Dunedin High Court) contains an inventory which suggests his assets were worth £7,282 net. Run 72 was sold to William Dalgleish in December for £7,800. It consisted

---

1 NZLMACo Minutes, 11 May 1882.
3 C.W.S. Moore, Northern Approaches, p. 86.
6 Ritchie to Grenfell, 8 February 1887, Ritchie Papers.
of 20,240 acres of leasehold and 115 acres of freehold with no improvements.1

96 Pagan, John McKenzie & William (5,200 sheep, Otago Gazette, 1870)

J.M. Pagan's Probate File (977, Invercargill High Court) indicates that he was a medical doctor of Edinburgh and had a small amount of property in New Zealand. Death duty was paid on the sum of £319.2 William Pagan's headstone in the Romahapa cemetery records that he was from Moffat. He died in 1915 at Waiwera, aged 75, and his Probate File (3340, Dunedin High Court) reveals that his estate was worth less than £850.3

97 Pillans, Francis Scott (8,058 sheep, Otago Gazette, 1870)

Pillans was born in Edinburgh in 1810 and received his education there before embarking on travels around Europe.4 He arrived at Port Chalmers in 1849 and took up land at Inch Clutha. His journal, a transcript of which is held at the Hocken Library, contains some insights into politics during the early years of the settlement and chronicles the arduous labour that Pillans was obliged to perform in breaking in his first property. Pillans was a member of the 1856 Squatters' Association. He died, unmarried, on 12 December 1889. His estate realised £12,393.5

98 Poynter, George Forbrace Boyes (10,700 sheep, Otago Gazette, 1871)

Little is known of Poynter's antecedents. It appears that he was related to the Boyes brothers of Kawarau station and to George Meredith Bell.6 A deed executed in 1870 records that Poynter was mortgaged to the Bank of Australasia for £5,000.7 He applied to the Loan Company in 1873 for an advance of £5,000 on the security of 19,000 acres of leasehold, 2,268 acres of

---

1 New Zealand Examiner, 22 December 1873.
2 AAEC 638/129, National Archives.
3 Otago Witness, 27 October 1915, p. 47.
5 AAEC 638/96, National Archives.
6 Invercargill Manager to Cowie, 15 August 1867, p. 620, Union Bank, ANZ Archives.
7 Deeds 30/778.
freehold, twelve miles of fencing and 10,000 sheep, with buildings valued at £2,000.\(^1\) His liability to the Company was discharged in 1879.\(^2\) In 1885, a loan of £1,000 from G.M. Bell was noted in the *Mercantile Gazette*.\(^3\)

Poynter died on 19 August 1920.\(^4\) His Probate File (187/20, Invercargill High Court) reveals that his estate was valued at under £500.

99 Preston, Joseph Farrar (14,646 sheep, *Otago Gazette*, 1870)

Preston was born at Wooldale Hall, in the south of Yorkshire's West Riding in 1823.\(^5\) Joseph worked in his father-in-law's dyehouse. He became a partner in the family business and was involved in trading ventures between England, South Africa and Australia.\(^6\)

Stock Mortgage 32 reveals a debt of £2,500 to James Alexander Douglas. Preston also borrowed £5,000 from John Taylor and James Rattray. Rattray insisted that Preston's sons should manage the property.\(^7\) In 1870 Preston was also mortgaged to the NZLMACo for £2,500.\(^8\) The security for this advance was 34,000 acres of leasehold, 10,000 sheep and the wool of a total of 18,000 sheep consigned to the Company.\(^9\)

Station records suggest that Preston's farming operations realised very little profit during the mid-1880s and that losses were made in some years.\(^10\) James Preston was unable to pay the rent on one of his runs and

---

1 NZLMACo Minutes, 14 January 1873. This application was granted on 18 April 1873.
2 NZLMACo Minutes, 28 August 1879.
3 *Mercantile Gazette*, 20 June 1885.
4 *Southland Times*, 21 August 1920.
8 Stock Mortgage 32, Hocken Library. S. Spiers, "Preston Runholding", pp. 43, 44. NZLMACo Minutes, 6 May 1870.
9 NZLMACo Minutes, 6 May 1870.
10 S. Spiers, "Preston Runholding", pp. 163, 166.
had to surrender the lease in 1886. The years 1895 to 1898 were also difficult.

Joseph Preston died in 1891 at Fortrose and his remains were later reinterred at Goodwood. His estate was valued at £40,593. James Preston died in September 1930. He left an estate worth, in theory, £87,687. It appears that investments between 1900 and World War I made up the bulk of this sum. The Prestons were an Anglican family.

100 Raymond, Captain J.W. (18,000 sheep, Otago Gazette, 1872)

Raymond was born in Kent in 1826. He was the son of an engineer. After working in various parts of Australia, including Melbourne and Twofold Bay, he arrived in New Zealand in 1856. It appears that he initially managed Merivale station for Kerr Bogle & Co.

Raymond acquired Avondale station and offered the property for sale in 1873. He was known to be in financial difficulties by 1879. John Roberts noted that he owed the Otago & Southland Investment Company £19,000 and could not pay interest. Dalgleish told Roberts: "[O]utwardly he seems very friendly but he is a queer treacherous man and now he is in a corner wants watching." Dalgleish declined him further advances.

Raymond died in 1912. His Probate File (3271, Invercargill High Court) records that his estate was worth less than £100. He was married to Mary Ann Paulin.

1 S. Spiers, "Preston Runholding", pp. 102, 104.
3 AAE 638/96, National Archives.
6 ODT, 6 May 1873.
7 John Roberts to Sanderson, 18 December 1879, 625/33, Roberts Papers.
8 Dalgleish to Roberts, 12 March 1880, 625/11, Roberts Papers.
9
101 Reid, John (6,500 sheep, Otago Gazette, 1870)

Reid was born in 1835 near Stirling, Scotland. After a brief commercial training, he emigrated to Australia in 1853 and remained ten years working as an engineer at Mt Egerton goldmine near Ballarat. He then set up in Dunedin as the representative of various British exporting companies and, according to Scotter, it was obvious from the nature of his land purchases that he regarded them entirely as business dealings. He bought the first part of Elderslie in 1865 and eventually increased the property to 17,000 acres.

A newspaper article in 1894 observed that Reid had offered Elderslie estate for sale in farm-size blocks of twenty-five acres and upwards. He was thus moving "in the direction desired by Mr Seddon." Reid, a Presbyterian, died on 15 August 1912 and left an estate valued at £102,518.

102 Reinecker, Bernard and Hunter, Walter (14,500 sheep, Otago Gazette, 1872)

Re

meet a bill he had drawn. The NZLMACo minutes of 24 September 1867, record an application for £4,000 on the security of 280 acres freehold, 24,000 acres of leasehold and 8,000 sheep. The partners were unable to pay interest on their advance in 1870 and owed £276 in reclamations on their consignment of wool in 1871. It was reported on 15 June 1871 that the Loan Company might have to take possession of the run. The minutes of 19 February 1872 note that the run had been sold to Robert Campbell for £9,500 and the Company's advance of £5,000 could be recovered.

---

1 W.H. Scotter, Run, Estate and Farm, p. 23.
2 New Zealand Graphic, 13 October 1894, p. 351.
3 AAEC 638/102, National Archives.
4 NZLMA Co Minutes, 21 April 1870, 12 May 1871.
5 NZLMA Co Minutes, 15 June 1871.
103 Rich, Francis Dyer (10,000 sheep, Otago Gazette, 1870)

F.D. Rich arrived in New Zealand in 1840 with his father, George Rich, a Somerset farmer. The family imported stock and bought land at Auckland. F.D. Rich took up runs in Otago and Canterbury and was at one time in partnership with John Jones. He made freehold the Bushy Park estate and was associated in the development of the Shag Point coal mine.¹

Rich gave a mortgage to the NZLMA Co for £9,000. The Loan Company had made the loan at 8% on the understanding that it would receive the consignment of his clip, and was aggrieved to learn in 1870 that Rich had leased his property to Campbell & Low and had disposed of most of his stock. The Company insisted on an increase in the interest rate or, failing that, the consignment of an equivalent amount of wool.²

In the early 1870s Rich bought the Clive Grange and Matapiro estates in Hawke's Bay. He worked the latter with his son-in-law, Walter Shrimpton. Rich was also associated with the New Zealand Thames Valley Land Company (which he managed from 1885) and the Patetere Land Purchase association.³

Rich's North Island investments appeared to cause him some financial distress. Deed 30/56 records that he was mortgaged to the NZLMA Co for £9,000. By 1888 his indebtedness to the Bank of New Zealand stood at £35,000. As this figure exceeded the securities held by the Bank, Rich agreed to convey his Moeraki land to the BNZ.⁴ The NZLMA Co minutes of 3 October 1888 note that Rich owed £2,064 in addition to other sums on account of his Waikato lands: "This is an old account of many years standing. All efforts to obtain a settlement have been fruitless. He is believed to be unable to liquidate any portion of the debt." A Loan Company report on unproductive capital noted that Rich was unable to

² NZLMA Co Minutes, 27 March 1870.
pay interest on his debts.\(^1\) Any attempt to sue was considered likely to force him into bankruptcy.\(^2\) Rich left Bushy Park for the North Island in 1887 and died on 5 December 1901.\(^4\)

104 Roberts, Fitz Clarence (5,560 sheep, Otago Gazette, 1871)

Fitz Clarence Roberts married Sarah Jane Copeland at All Saints Church.\(^5\) Sarah was a relation of James Copeland of the brewing firm Marshall & Copeland. The marriage register records that Roberts was formerly a banker. He donated land at Popotunoa to the Anglican Church.\(^6\)

Roberts added Spylaw to his pastoral interests in 1873, paying £16,000 and giving a mortgage to Dalgety Nichols & Co for £10,000.\(^7\) Three years later, Ritchie was predicting his downfall: "Fitz Roberts likely to come to grief. I suspect Driver will drop £2,000 - £3000 Nichols in £600 or more on an old a/c."\(^8\) Roberts was declared bankrupt in 1879.\(^9\)

105 Roberts, William Henry Sherwood (15,542 sheep, Otago Gazette, 1870)

Roberts was born in Pembrokeshire, Wales, the son of Captain Thomas Turner Roberts, a member of an old Worcestershire family and an officer in the East India Company. He was educated at Swansea and the Palace School in London, and studied book-keeping and surveying.\(^10\)

Roberts arrived in New Zealand and at various times owned Ardmore, Spylaw and Conical Hills stations. In 1869 he was mortgaged to Cargills &

---

2 NZLMA Co Minutes, 18 April 1888.
3 Otago Witness, 11 March 1887.
4 All Saints Marriages 7.
6 Stock Mortgage 383, Hocken Library. ODT, 30 January 1873.
7 Ritchie to Russell, 26 May 1876, Ritchie Papers.
8 Morning Herald, 23 August 1879, Mercantile Gazette, 30 August 1879.
McLean for £8,000.¹ Cargills foreclosed in 1871.² Between 1872 and 1878, Roberts worked a farm at Waipahi. He then moved to Oamaru where he advertised himself as a commission agent and valuer.

Roberts was declared bankrupt in 1891.³ He died on 22 January 1917 and his Probate File (4010, Dunedin High Court) reveals that his estate was valued at under £6,000. Roberts was a lay member of the Anglican Synod.⁴

106 Robison, Harrie Carr (11,700 sheep, Otago Gazette, 1870)

Pinney states that Robison had been a clerk in the Bank of England. Hating the work, Robison left when he came of age and emigrated to Australia.⁵ In 1870, Robison was mortgaged to the NZLMACo for £6,000. The security was 40,000 acres of leasehold, 14,000 sheep, 175 cattle and improvements valued at £3,000.⁶ The NZLMACo minutes of 4 November 1871 explain that:

Twenty thousand acres out of the thirty thousand in Robison's run have been declared hundreds, Has power to select 1,280 acres & represents that he could make such selection as would give him command of the whole block and proposed if the company would continue the loan to make such selection and defray i: out of the compensation he would receive from the government for the surrender of 20,000. It was resolved that the risk was too great and the loan be called up.

The minutes of 10 February 1871 state that Robison had made a very bad muster and the Loan Company had taken possession. The sale of the run realised £5,242 and £2,500 was received from the Government as compensation for the cancellation of the lease. Robison's liability to the Loan Company at this time was £6,000 plus interest.⁷

---

¹ Stock Mortgage 118, Hocken Library.
² CT Vol. 1/69-73.
³ Otago Witness, 22 January 1891, p. 22.
⁴ Proceedings of the Anglican Synod 1880, CP 46, Hocken Library.
⁶ Stock Mortgage 148, Hocken Library. NZLMACo Minutes, 12 April 1870.
⁷ NZLMACo Minutes, 13 June 1871.
Robison's insolvency was announced the same month.\textsuperscript{1} He had been a member of the 1856 Squatters' Association and Fenton's "Sketch" identifies him as a member of the Anglican Church.\textsuperscript{2}

**107 Rogers, Joseph (14,964 sheep, Otago Gazette, 1872)**

Rogers was born at Lamplough, Cockermouth, Cumberland. He was educated there and worked in a bank. In 1860 or 1861 he arrived in New Zealand. His brother, William, who was formerly a wine merchant in London, had already taken up the Glenquoich run, but drowned in Lake Wakatipu in 1862.\textsuperscript{3} William came to New Zealand through Victoria in 1859.\textsuperscript{4}

Joseph Rogers married twice, to sisters of David and Peter McKellar.\textsuperscript{5} He died on 9 December 1896, having held Glenquoich since 1861. His estate was insolvent at the time of his death, but death duty of £223 was paid in 1906, which suggests that the liquidation of his assets eventually realised a surplus.\textsuperscript{6}

**108 Rolland, Adam & J. Henry (9,364 sheep, Otago Gazette, 1870)**

James Rolland was born at western Luscar, Fifeshire, the son of a Privy Councillor for Scotland. He became a writer to the signet but sold his legal practice in Edinburgh and came to New Zealand in 1859. He took up land at Kaitangata and purchased Blackstone Hill station in 1862.\textsuperscript{7} The family appears to have had connections with James Pillans Maitland and William Gordon Rich.\textsuperscript{8}

\textsuperscript{1} ODT, 10 February 1871. See 2 May 1871 for an explanation of his affairs.
\textsuperscript{2} J.A. Fenton, "Sketch of the Founding and Progress of the Anglican Church in Otago", Dunedin, 1898, p. 2.
\textsuperscript{4} H. Beattie, The Southern Runs, p. 312.
\textsuperscript{6} AAEC 638/129, National Archives.
\textsuperscript{8} Deeds 46/408.
James sold the run to his sons, Adam and Henry and died in Edinburgh on 20 November 1889.¹ His only daughter married William Black. Henry Rolland died in 1909 and left an estate valued at £33,364.² Adam Rolland, a member of Knox Church, died in 1920. His Probate File (8047, Dunedin High Court) suggests that his estate was worth £38,541.

109 Rutherford and Grant, A.J. (10,200 sheep, Otago Gazette, 1870)

No significant information concerning these men has been discovered. They disappeared from the sheep returns in 1878.

110 Sanders, W. and J. (20,974 sheep, Otago Gazette, 1870)

William Sanders came to Otago from Victoria. He bought Kyeburn, including 17,500 sheep, for £20,000 in 1866.³ The station was mortgaged to Cargills & McLean for £5,000 in 1869.⁴ Ritchie valued it at £32,000 in 1874. Sanders sold to J.S. MacKenzie, F.D. Rich and Charles Stewart for £36,000. The transaction was financed by Henry Driver of the NZLMA Co - formerly a partner of Stewart - with the vendors supplying only £4-5,000.⁵ Sanders had a brother, Robert, who was minister of Tundergarth in Dumfriesshire. William Sanders bought another run in Hawke's Bay in 1879 and died in Scotland.⁶

111 Schlotel, James Bartholemew and Edmund John (13,000 sheep, Appendix to VPOPC, 1870)

E.J. Schlotel was Charles Teschemaker's partner in the Spylaw station.⁷ His bankruptcy was announced in 1870.⁸ On 12 March 1881 the Otago
Daily Times noted that E.J. Schlotel had been asked to stand as mayor of North East Valley.

112 Shennan, Watson (26,700 sheep, Otago Gazette, 1870)

Watson Shennan was born in 1835 in Scotland, the son of a farmer. One of his brothers inherited the family farm at Balig. Watson and four other brothers emigrated to the colonies. Watson married a daughter of the Manse and was himself brought up in the Free Church of Scotland.¹

Deed 26/847 records the Shennan’s purchase in May 1869 of Puketoi station for £19,906, with a mortgage of £15,659. In March 1870, Shennan owed the Bank of Otago £11,715.² Larnach had a share in Puketoi in 1872 when he was still in the service of the Bank of Otago.³ In 1896 Shennan borrowed £15,000 from Colin Campbell Finlay, Castle Toward, Argyllshire.⁴

Shennan died in Dunedin on 14 October 1920. His Probate File (7153, Dunedin High Court) records that his estate was valued at under £100,000.

113 Shrimpton, Walter (with J. Bathgate & J.G.G. Shrimpton) (6,000 sheep, Appendix to VPOPC, 1870)

Shrimpton, a son-in-law of F.D. Rich, was formerly a cadet in the Royal Navy.⁵ The NZLMACo minutes of 2 September 1870 record that Shrimpton had applied for £4,200 on the security of 40,000 acres of leasehold and 7,000 sheep. The advance was refused because the sum asked was too great in proportion to the number of sheep. Shrimpton purchased Calcutt’s Matapiro station and moved to Hawke’s Bay in 1874.⁶

² Deeds 29/544.
³ Evening Star, 12 August 1872.
⁴ Deeds 105/479.
⁵ M.D.N. Campbell, “The Evolution of Hawke’s Bay Landed Society”, p. 28.
⁶ Hawke’s Bay Herald, 12 May 1874.
Smith, James Chapman (36,000 sheep, Otago Gazette, 1870)

Smith was born at Carnoustie, Forfarshire in 1827. He was educated at a parish school and entered the bakery trade. His family emigrated to Nelson in 1842, where he remained for six years before going to Otago. In Otago, he formed a partnership with James Allan. They began a small bakery and trading operation and later went farming on the Taieri and Tokomairiro plains, having bought 500 sheep from John Jones.¹

Smith prospered during the 1860s and was able to buy the Greenfield estate, much of which he eventually made freehold. He owed the Bank of Otago £10,000 in 1869.² In 1875, a newspaper article mentioned that Greenfield consisted of 21,000 acres leasehold and 15,000 acres of freehold, stocked by 40,000 sheep. An area of 6,000 acres was cultivated. Some forty horses worked on the station and between fifty and eighty men were permanently employed. They consumed 200 sheep per month. The homestead was said to have the appearance of a small village.³

Smith was described by James Adam as a man who had never forgotten that he was once a Dundee apprentice.⁴ As an employer of labour he was reputedly exemplary and considerate.⁵ He died on 18 November 1903 and his Probate File (4460, Dunedin High Court) suggests that his estate realised £137,136.

Stafford, Edward William and F.D. Bell (22,200 sheep, Otago Gazette, 1870)

Stafford was born in Edinburgh, the eldest son of Berkeley Buckingham Stafford, of Main, County Louth, Ireland, and Anne, daughter of Lieut-Colonel Duff Tytler. He was educated at Trinity College, Dublin, and lived the life of a country gentleman in Ireland for some years. Stafford was one of New Zealand's most prominent politicians in the 1860s and was

² Bank of Otago, Miscellaneous Deeds, National Bank Archives.
³ Southern Mercury, 7 May 1875.
⁴ J. Adam, Twenty-five Years of Emigrant Life in the South of New Zealand, Edinburgh, 1876, p. 91.
knights in 1879. He did not live in Otago and retired to Canterbury.\(^1\) The Stafford share in the Idaburn run was sold to the Bell family in the 1920s.\(^2\)

**116 Stevens, Captain William (18,000 sheep, *Otago Gazette*, 1872)**

Stevens was born at Eastbourne, Sussex, in 1825. He went to Sydney with his parents in 1841 and in 1843 joined his brother-in-law, Captain John Howell, in New Zealand. He later passed as a master in Australia and a pilot in New Zealand. Around 1860 he left the sea and took up the Beaumont station. In 1869 he was mortgaged to the NZLMACo for £5,500 on the security of 13,000 sheep, 3,000 acres of freehold and 60,000 acres of leasehold.\(^3\) By 1879 his debt to the Loan Company had increased to £10,000, and he sought to increase this by £3,000 to cover stock losses during the bad winter of the previous year. This application was eventually accepted.\(^4\) In 1886, the Loan Company asked Stevens to take his account elsewhere (its mortgage was then £14,000.) The Company’s minutes explain that, owing to low prices for wool and stock, “the mortgagor’s position was getting involved.”\(^5\) Stevens died on 2 August 1897 and his estate was insolvent.\(^6\)

Stevens was an Anglican. He married twice and had twenty children, some of them half-castes.\(^7\)

---

3. NZLMACo Minutes, 12 March 1869. MA 1 92/770, National Archives.
4. NZLMACo Minutes, 12 June 1879; 30 December 1879.
5. NZLMACo Minutes, 23 April 1886.
6. AAEC 638/127, National Archives.
117 Strode, Alfred Rowland Chetham and Fraser, William (25,000 sheep, *Otago Gazette*, 1870)

Strode was the son of Admiral Sir E. Chetham, KCB, of Shepton-Mallet, Somersetshire. He took the name Strode on inheriting property.¹ He arrived in Wellington in 1842 and fought the Maori in the Hutt Valley. In 1848 he moved to Otago where he held the positions of sheriff and resident magistrate. Strode, an Anglican, became identified with the clique known as the "Little Enemy". He married Emily Borton, a sister of John Borton.² Strode died in Surrey on 13 May 1890.³ His estate yielded £26,902.⁴

William Fraser was born in India, the son of Captain Hugh Fraser of the 5th Madras Light Cavalry. He married one of Strode's daughters and was a nephew of Captain Thomas Fraser. He took over Strode's share in Earnscleugh but his financial position deteriorated in the early 1880s.

Fraser died on 16 July 1923. He was a trustee of All Saints Church and a member of the Anglican Synod.⁷

---

³ *Otago Witness*, 3 July 1890.
⁴ AAEC 638/96, National Archives. Probate File 1920, Dunedin High Court.
⁵ Proceedings of the Anglican Synod, CP 46, Hocken Library.
Stuart and Kinross (8,000 sheep, *Otago Gazette*, 1870)

Stuart & Kinross was a Wellington partnership of merchants and pastoral investors. They employed H.S. Thomson to manage the run, which was transferred to him by 1878. Ritchie wrote in 1875:

> Wanaka station. Kinross & Stuart are hesitating about taking Thomson's offer of £10,000 after shearing. & say you give Mr Stuart to understand in London it is worth £16,000 - £17,000. You must bear in mind it is [a] frightfully rough place. & stations are not all alike in value - They never will sell to any body if they don’t to Thomson.

On 5 November 1888, the *Otago Daily Times* announced the bankruptcy of Kinross & Graham, merchants of Hawke’s Bay. Further research might establish a connection between these firms. Thomson is said to have been ruined by rabbits and he left the station to become a stock inspector. Ritchie noted in 1874: “H.S. Thomson. £8,500 against 13,000 sheep & 700 cattle. Safe enough but heavy.”

119 Stuart, Robert (10,000 sheep, *Otago Gazette*, 1870)

Robert Stuart was a brother-in-law to Captain F.W. MacKenzie and came with him from Victoria. He was mortgaged to the Otago & Southland Investment Company for £10,000 in 1868 and was bankrupt by 1871. Stuart died in Napier in 1883.

---

2 Ritchie to Russell, 5 April 1875, p. 234, Ritchie Papers.
4 Ritchie to Russell, 21 July 1874, p. 78, Ritchie Papers.
6 Deeds 24/246, 33/361.
7 *Otago Witness*, 21 July 1883.
120 Sutherland. John and Polson, Donald Gunn (5,500 sheep, Otago Gazette, 1870)

Sutherland emigrated from Caithness in 1856 and began as a shepherd. He eventually died in the North Island in 1920 at the age of ninety-three.¹ D.G. Polson was "a name later well known in Parliamentary and farmers' circles."² He arrived in Otago in 1854 and managed Maitland's run in the early 1860s. After the run was subdivided he left for Wanganui.³

Sutherland and Polson were mortgaged to the NZLMA Co for £2,000 in 1871. They are described in legal documents as being settlers of the town of Havelock.⁴

121 Sutton's Trustees (17,000 sheep, Otago Gazette, 1870)

The father of John Alfred and George Augustus had been a chemist on Lambton Quay in Wellington. In the early 1850s he had a house and dispensary at Otago Heads and later a shop near Bell Hill. He died soon after acquiring the Barewood lease. His widow married the executor, Edward McGlashan.⁵ In 1874, the Hawke's Bay Herald referred to the Sutton brothers as "conspicuous illustrations" of working men who had risen in life.⁶ Fenton identifies the family as among the early supporters of Anglicanism in the Province.⁷

In 1873 the Sutton brothers were mortgaged to Dalgety Nichols & Co for £17,500.⁸ A sale was made to Frank Pogson of Tasmania the same year, but the price was not disclosed.⁹

---

¹ W.R. Mayhew, Tuapeka, p. 126.
⁴ Stock Mortgages 221, 226, Hocken Library.
⁵ R. Pinney, Northern Otago Runs, p. 195.
⁶ Hawke's Bay Herald, 14 April 1874.
⁸ Stock Mortgage 392, Hocken Library.
⁹ New Zealand Examiner, 22 December 1873.
122 Swanston, Charles Lambert (30,300 sheep, *Otago Gazette*, 1870)

Swanston was formerly a resident of Geelong. In 1870 the NZLMACo declined his application for a loan of £12,000 on 50,000 acres of leasehold and 30,000 sheep. The application was renewed at the end of 1871, but the Loan Company directors considered the margin insufficient, even with the improved market for wool. He did, however, obtain mortgage finance of £10,000 from Dalgety Nichols & Co. Swanston sold Otama to Ibbotson in 1877.

123 Taylor, Robert (6,000 sheep, *Otago Gazette*, 1872)

The Taylor brothers were from a family of small farmers in Argyll, Scotland. Five brothers and a sister emigrated to Australia and three of these brothers - John, Robert and Angus - went on to New Zealand. In the deed of purchase of Lora station, John Taylor was described as a sheep farmer of Breakfast Creek, Victoria. The NZLMACo minutes of 12 April 1870 record a loan of £3,000 on 8,000 acres of leasehold and 9,000 first class sheep. On 28 October 1878, £6,000 was advanced on the security of Lora station. The security was valued at £9,200. The Loan Company's "Special Report on Unproductive Capital" noted that Robert Taylor was a hard-working and thrifty man but could not pay expenses and interest. There was some hope that the station might be sold in the 1889-90 season, but this was the "only hope of relief."

---

1 Deeds 26/888.
2 NZLMACo Minutes, 4 November 1870.
3 NZLMACo Minutes, 17 December 1871.
4 Deeds 33/866.
6 Information supplied by Ms Alison Taylor.
8 J.N. Overtons, *The Birth of A District*, illustration following p. 64.
9 NZLMACo Minutes, 28 October 1878.
10 See also J.N. Overtons, *The Birth of A District*, p. 20.
124 Teschemaker & Co (McMaster & Teschemaker) (24,500 sheep, Otago Gazette, 1870)

McMaster's interest in this property was mortgaged to George Gray Russell for £16,965 in 1865.1 By 1869 he owed Russell £4,700 and the Bank of Otago £2,064.2

125 Teschemaker, William Henry (11,000 sheep, Otago Gazette, 1870)

W.H. Teschemaker was born in Exmouth, the son of John Teschemaker LL.D. of Demerara and Exmouth. He was educated at Mt Radford school and Exeter College, Oxford, and graduated in 1851. Teschemaker married Eliza, the daughter of Captain Pitman RN.3 Larkworthy wrote in his reminiscences that while in Dunedin he:

... formed the acquaintance, which ripened into friendship, of William Henry Teschemaker, squatter and Provincial Councillor, who, on his return to England some years later, leased a large shooting in Somersetshire, some 6,000 acres in extent, called Treborough lodge - his native county, and turned over to me on equitable terms his last season's shooting. Teschemaker was a gentleman by birth, and one in spirit and behaviour. He told me he began life with just one thousand pounds.4

Ritchie considered that Teschemaker had spent too much money in buying freeholds and wrote in 1871 that the "only forbearance on the part of the Bank keeps him going."5 The magnitude of Teschemaker's borrowing at this time is not known, but he did seek to renew a loan of £4,000 from the NZLMACo in 1870 and an advance of £9,000 in 1872.6 It was rumoured that Le Cren was paid £80-90,000 when he terminated his

1 Stock Mortgage 18, Hocken Library.
2 Stock Mortgage 78, Hocken Library.
5 Ritchie to Russell, 9 July 1871, p. 129, Ritchie Papers.
6 NZLMACo Minutes, 6 May, 30 September 1870; 9 July 1872.
partnership with Teschemaker, the Bank of New Zealand supplying the money.\(^1\)

Teschemaker, an Anglican, died on 24 July 1888 at Taipo Hill. His estate realised £70,723.\(^2\)

126 Thomas & J. McKellar (17,000 sheep, \textit{Otago Gazette}, 1870)

Thomas has not been identified. J. McKellar is presumed to be John McKellar, who is described above.

127 Thornhill, Cudbert Beaufry and John George (13,500 sheep, \textit{Otago Gazette}, 1872)

The Thornhill brothers were formerly officers in the Indian army, as was the previous owner of Centre Hill station, J. Cracroft Wilson.\(^3\)

In 1879 the directors of the Loan Company were informed that the brothers were in a serious position because of stock losses and rabbits, but were nonetheless considered safe. The brothers had 13,000 sheep on Centre Hill the previous year and owed the Company £3,500. They now had only half the number of sheep and owed £5,028.\(^4\) The NZLMACo foreclosed soon afterwards and, after being in possession for two years, sold the run to a relative of the Thornhill brothers in 1883 for £4,700.\(^5\)

128 Tolmie, William and Donald (21,609 sheep, \textit{Otago Gazette}, 1870)

The \textit{Dictionary of New Zealand Biography} states that Tolmie was born in England in 1833, but this conflicts with Burke's \textit{Colonial Gentry}, which identifies his birthplace as Skye.\(^6\) He arrived in Victoria in late 1852 and

\(^1\) J.R. Hill to Sir John Hall, 8 April 1879, Sir John Hall Papers, MS 1784, Vol. 37, Alexander Turnbull Library.
\(^2\) AAEC 638/96, National Archives. Probate File 1700, Dunedin High Court.
\(^3\) G.A. Hamilton, \textit{History of Northern Southland}, p. 84.
\(^4\) NZLMACo Minutes, 1 May 1879.
travelled for a few months before entering the service of the Union Bank of Australia at Melbourne. He was manager of Colonial Bank of Australasia in Geelong between 1859-64 and came to Dunedin in 1864 to become partner in Dalgety & Rattray.

Tolmie was mortgaged to Mary Greer for £10,000 in 1869. There are records from the early 1870s of mortgages to the Bank of Otago (£3,300) and the NZLMACo (£3,494.)¹ Tolmie, a Presbyterian, died on 8 August 1875. The value of his estate was initially sworn to be £65,000, but a statement of accounts filed in 1883 suggests there was little equity in Tolmie’s properties, which were unsaleable at that date.²

Donald Tolmie transferred his interest in the Cairn station for £3,500 in 1874.³ He was declared bankrupt in 1881.⁴

129 Trotter, William Sinclair (15,000 sheep, Otago Gazette, 1870)

W.S. Trotter was the son of a shepherd who later became an overseer for Sir John Sinclair. He went to New South Wales and settled in New Zealand at Waikouaiti in 1840.⁵ Trotter died at Woodlands in 1893. His estate was valued at £14,686.⁶

130 Trumble, Thomas (8,000 sheep, Otago Gazette, 1870)

Trumble, an Anglican, was born in Ireland. He arrived in Dunedin in August 1850 as a New Zealand Company settler and was allotted town and suburban sections. He lived at Kuri Bush until 1856 when he took up Otarai station between Clinton and Mataura. In time he made a considerable portion of the property freehold and never parted with this land. In 1866 he moved permanently to Invercargill for the sake of his children's education. He was an enthusiastic Freemason and a supporter

¹ Stock Mortgage 258, Hocken Library.
² Probate File 450, Dunedin High Court.
³ Deeds 44/120.
⁴ Insolvency File 887, 8 August 1881, Dunedin High Court.
⁶ AAEC 638/126, National Archives.
of James Macandrew. Trumble died in 1889 aged 79. His estate was valued at £9,608.2

131 Von Tunzelman, Nicholas Balthazar and Pickett, Gilbert (7,400 sheep, Otago Gazette, 1870)

Von Tunzelman had a strange and rather tragic career. He is said to have been born in 1828 on the island of Oesel in the Gulf of Riga. His family was of German origin, but were subjects of Tsar Nicholas. His father, a Major in the Russian army, sent his sons to Germany to be educated, but did so without official permission. As a result, the family was expelled from Russia and forfeited their valuable estate.

Von Tunzelman claimed that he trained as a doctor, although another source states that he was educated as a veterinary surgeon.3 He arrived in New Zealand in 1859 and went into partnership with Edward Pharazyn of Wellington. Gilbert Pickett, a Wellington merchant, was Von Tunzelman's brother-in-law.4

The partnership was not successful. Two years before their lease expired, Von Tunzelman and Pickett were sold up by their agent and left penniless. In 1870 they were mortgaged to George Turnbull of Dunedin for £4,000.5 Pickett left for Nelson. Von Tunzelman stated that he had lost £1,000 and his partner £6,000 in the venture.6 He then spent some years in Australia, but returned and made another unsuccessful attempt to farm at Lake Wakatipu.7 He applied for an old age pension in 1899, at which time his only income was the wool money from 100 sheep. He lived in a two-roomed hut on a deferred-payment block of 100 acres.8

1 ODT, 12 June 1889. P. Dickie, Land of Many Hills, p. 36.
2 AAEC 638/126, National Archives.
4 P. Chandler, Glenaray, p. 115.
5 Stock Mortgage 213, Hocken Library. Turnbull had attempted to transfer the mortgage to the Loan Company in 1869. NZLMA Co Minutes, 22 May 1869.
7 F. MacKenzie, The Sparkling Waters of Whakatipua, p. 65.
Von Tunzelman died in Queenstown on 31 July 1900. His Probate File (1381, Invercargill High Court) reveals that his estate was worth less than £250.1

132 Wayne, Frederick (9,412 sheep, Otago Gazette, 1870)

Wayne was born in 1834, the son of the Rev. W.H. Wayne of Much Wenlock, Shropshire. He was educated at Bridgenorth School and Trinity College, Cambridge. He intended to study medicine but instead became a partner with Colonel Kitchener in the Kerry estate, near Tralee, County Kerry. Wayne also studied at the School of Mines in London. He came to Sydney in 1859 and to New Zealand in the following year.

Wayne took up the Sowburn run with Rowley and Hamilton. The outbreak of scab in the Shag Valley is said to have cost Wayne £20,000.2 Colonel Kitchener became a partner in the station and eventually took it over. A deed executed in 1868 records that Wayne was mortgaged to Driver and McLean for £8,950.3 He left the partnership with Rowley and Hamilton around this time.

Wayne invested in the Glenledi estate at Akatore with Richard Leary. The partners spent large sums of money improving this property but surrendered Glenledi to the NZLMACo in 1886. The Loan Company held a mortgage for £7,810, but did not expect to suffer loss.4 A later report suggested there would be a deficiency of £1,061 and Wayne was stated to have no means.5

Wayne was a lay reader in the Anglican Church. He died on 10 April 1901 and his estate realised £396.6

---

1 See also AAEC 638/129, National Archives.
2 Otago Witness, 17 April 1901, p. 28.
3 Stock Mortgage 36, Hocken Library.
4 NZLMACo Minutes, 3 February 1886.
5 NZLMACo Minutes, 25 May 1887.
The bankruptcy of Robert Sewallis Wayne of Stoneburn station was announced in 1866. He was a barrister in London. His later investment in the shares of the Glenledi Estate Company suggests that he was a relation of Frederick Wayne.

133 Webster, Dr George Murray and Aitkin, John Christie (14,000 sheep, Otago Gazette, 1870)

Webster's grandfather leased a farm on the estate of Balruddery between Dundee and Perth. His father bought the whole estate. The family dispersed. One brother stayed on Balruddery, two went to Canada and one became a judge in India. G.M. Webster was a surgeon in the British Army in the West Indies, Canada and Australia. He married his second cousin, the daughter of a major in the East India Company's Bengal service. Dr Webster attained the rank of Surgeon Major, a rank equivalent to Major-General.

Aitkin was a successful early Canterbury squatter from the Murrumbidgee. William McCandlish of London is also described as partner in some of Webster's property. It seems that Webster's equity in this partnership was only £5,000. The prospect of the partnership's dissolution in 1871 left Webster in a tricky position. It was necessary to buy 6,000 acres out of the nearby hundreds and Webster did not have the money to do so himself. Ritchie found the Doctor a difficult man, but one who was easier to manage "when hard up".

---

1 Otago Provincial Gazette, 1866, p. 52.
2 Company File 45, Glenledi Estate Company, Hocken Library.
4 Deeds 21/179.
5 Ritchie to Russell, 4 August 1871, p. 141, Ritchie Papers.
6 Ritchie to Russell, 7 July 1871, p. 129, Ritchie Papers.
7 Ritchie to Russell, 12 January 1875, p. 197, Ritchie Papers.
Webster's indebtedness to the Otago & Southland Investment stood at £13,500 in 1872. He was later mortgaged to Joseph Clarke for £11,000 and also borrowed from the NZLMACo.

Webster died in 1877 and the winding up of his estate appears to have left his widow and family with almost nothing. His estate was initially valued for tax purposes at £34,043, but most of the duty charged was refunded in 1881, suggesting that his net assets had been overvalued by about 75%. His widow's Probate File (3419, Dunedin High Court) reveals that her estate was valued at less than £20. A report in the Loan Company minutes hints at difficulties in recovering the £5,000 borrowed by Dr Webster:

... pressure was being kept up - but it would hardly be expedient to go to extremities to enforce payment. P. McKellar is second mortgagee and Gardiner is also responsible to him as vendor so that we would only be forcing the money from these two clients of our own, both valuable and influential.

The NZLMACo minutes of 19 June 1879 record that the Company had decided to exercise its power of sale to recover the sums owed by Webster's estate. Much of Webster's property was acquired by John Reid for £26,000.

Webster, George (51,000 sheep, Otago Gazette, 1872)

Webster was sometimes referred to as Captain Webster. He formerly resided in Geelong and was a trustee of the Bank of Melbourne. In 1863 he came to New Zealand and invested in Dome station and Benmore in partnership with Richard Gibbs.

1 Deeds 41/720.
2 Deeds 44/532, 47/23.
4 AAEC 638/94, National Archives.
5 NZLMACo Minutes, Vol. 3, p. 246.
6 Deeds 73/368.
At this time Dome station was regarded as one of the best in the Province and included 10,000 acres of freehold.

Webster died on 15 July 1875 and his Probate File (33, Invercargill High Court) reveals that his estate was valued at under £10,000.

135 **Wentworth**, Fitzwilliam (7,786 sheep, *Appendix to VPOPC*, 1870)

When Sir Burnard Burke's *Colonial Gentry* was published in 1891, Wentworth resided on the Vaucluse estate near Sydney. He was born in 1833 near Sydney and was the son of William Wentworth.3

136 **White**, John and Taylor (11,700 sheep, *Otago Gazette*, 1870)

John and Taylor White were descendants of a distinguished English family whose history is related at length by Florence MacKenzie in Chapter One of *Whakatipu Pioneers*. It appears that a Baronetcy was bestowed upon the family by George III for services rendered against Napoleon. Both brothers had commissions in the Indian Army. They were the sons of the Rev. Taylor White of Cuckney, England.4

The Whites were mortgaged to the Bank of Otago for £1,700 and the NZLMACo minutes of 22 June 1869 record a loan proposal of £3,000, which was declined.5 There are conflicting accounts of the effect upon the brothers of their legal battle with the McKellar brothers.6 During the hearing of *White Brothers v McKellar Brothers*, it was alleged that the Whites were unpopular in their district because they never had anything to do with their neighbours, but lived in poverty and seclusion, like

---

1

2

5 Stock Mortgage 58 Hocken Library.
hermits.\(^1\) John Taylor is said to have returned to England and made a successful marriage. Taylor White purchased Glengarry station in Hawke's Bay in 1875 and died there in 1913.\(^2\)

137 **Wilkin, Robert and Thomson** (40,000 sheep, *Appendix to VPOPC*, 1870)

Wilkin was born in 1830 at Tinwald Downs, Dumfriesshire. His father was a farmer and his mother, Rachel Douglas Laurie, was a daughter of the parish minister. He was educated at Dumfries Academy and Edinburgh University. At the age of nineteen he went to Melbourne and Sydney. Wilkin spent some years managing grazing stations for George Hobler. With two partners he took up several stations in the Richmond river district. He then went further north and settled as a runholder in the Burnet district of Queensland. He must have moved south again before coming to New Zealand as he was a magistrate for the Port Philip district of Victoria. In 1858 Wilkin came to New Zealand and purchased the Avon Park estate in Canterbury. At various times he was interested in several important properties, sometimes alone, sometimes with Robert Heaton Rhodes and sometimes with his wife's uncle, Archibald Thomson, with whom he took up Maronan. He was also interested in Racecourse Hill, Carleton, and St Leonards (Amuri).\(^3\)

Wilkin & Thomson were running 44,000 sheep as early as 1863.\(^4\) A report in 1866 that Cargills & Co had sold their run to Mathew Holmes for £50,000 appears to be incorrect.\(^5\) Around 1871, Wilkin commenced business in Hereford Street as a general merchant and stock and station agent. He was insolvent at the time of his death on 20 June 1886.\(^6\) Thomson died at Maronan in 1873 aged 57.\(^7\)

---

1 *Otago Guardian*, 6 November 1873.
4 *Daily Telegraph*, 19 December 1863.
5 *Bruce Herald*, 24 May 1866.
Sir Henry Edward Fox Young was born in Kent in 1803, the son of Sir Aretas William Young, sometime Governor of Prince Edward Island. In 1827 he studied at the Inner Temple but was probably not admitted to the bar. He joined his father in Trinidad in 1830 and held various government positions in British Guiana and St Lucia. Knighted in 1847, he was made Lieutenant Governor of the eastern districts of Cape Colony, but proceeded instead to South Australia. He explored the lower reaches of the Murray River in 1851, and was made Governor of Van Diemen’s land in 1854.

Young returned to London in 1861 and was an original director and, from 1866-68, Chairman of the AMLFCo. He died of albuminuria on 18 September 1870. His estate was sworn for probate at £7,000. Young was an Anglican.¹

APPENDIX 11

MAPS OF RUNS REFERRED TO IN APPENDIX 10
This map shows the area covered in greater detail on each of the next six maps.

**Names of the Runs** are those by which they are most commonly recognised.

**Boundaries of Runs** have been traced from the official maps, and where possible confirmed by the formal written descriptions. Many of the boundaries follow recognisable natural features - especially water courses and summit ridges. For reasons of clarity, only the major rivers are identified on these maps. Where adjoining runs are worked together, this fact is indicated by an arrow.

**The Principal Source** used in the compilation of the maps is the Official Map of the Province of Otago, 1870, held in the Hocken Library, complemented by reference to Cadastral Maps of later date. The spellings of **Names of Hundreds** is that used on the Official Map (despite the obvious mis-spellings).

**Names of Runholders** are those given in the RETURN RESPECTING RUNS laid on the Table of the Provincial Council on May 16th 1870.

**Scale:** on the above map 0 20 50 Kms on the 6 larger maps 0 20 40 Kms
<table>
<thead>
<tr>
<th>Born in England or Wales</th>
<th>Born Ireland</th>
<th>Born Scotland</th>
<th>To New Zealand via Australia</th>
<th>To New Zealand via Other Colonies</th>
<th>To New Zealand via Other Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atkinson</td>
<td>Baldwin</td>
<td>Anderson</td>
<td>Aitken</td>
<td>Buchanan (Jamaica)</td>
<td>Von Tunzelman (Russia)</td>
</tr>
<tr>
<td>Bell, F.D.</td>
<td>Cumine?</td>
<td>Boyd Brothers</td>
<td>Basstian (b. England)</td>
<td>Fulton (India)</td>
<td>Driver (U.S.A.)</td>
</tr>
<tr>
<td>Cable</td>
<td>Julius</td>
<td>Captain Brown</td>
<td>Bell, G.M.</td>
<td>Fraser (India)</td>
<td></td>
</tr>
<tr>
<td>Drummond</td>
<td>Trumble</td>
<td>Cameron, D.A.</td>
<td>Borton (b. England)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ferens</td>
<td></td>
<td>Low, W.A. and T.C.</td>
<td>Capt. MacKenzie (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hankinson</td>
<td></td>
<td>McGregor, J.</td>
<td>McMaster (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hodge Brothers</td>
<td></td>
<td>Cowan</td>
<td>Boyd, J.T.T.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humphreys</td>
<td></td>
<td>Cuthbertson Brothers</td>
<td>Campbell, Robert (b. England)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Orbell and sons</td>
<td></td>
<td>Dundas</td>
<td>Boyes Brothers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main, D.F.?</td>
<td></td>
<td>Glassford</td>
<td>Menlove (b. England)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preston, J.F.</td>
<td></td>
<td>Barron</td>
<td>Clarke (b. England)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strode, A.R.C.</td>
<td></td>
<td>Handyside</td>
<td>Smith, James (b. England)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wayne, F.</td>
<td></td>
<td>MacLean Brothers</td>
<td>Holmes (b. Ireland)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 12 - NATIONALITY OF RUNHOLDERS IN APPENDIX 10
<table>
<thead>
<tr>
<th>Born in England or Wales</th>
<th>Born Ireland</th>
<th>Born Scotland</th>
<th>To New Zealand via Australia</th>
<th>To New Zealand via Other Colonies</th>
<th>To New Zealand via Other Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Maitland, J.P., G.H. and D.</td>
<td>Ilbotson</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maitland, G.G.</td>
<td>Jones, John (b. Australia)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Greig</td>
<td>Martin, William</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Turnbull, R.M.</td>
<td>Trotter (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>McNeill Brothers</td>
<td>Webster, George</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Miller</td>
<td>Dr Webster (b. Scotland; via several colonies)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Murison Brothers</td>
<td>Wentworth (b. N.S.W.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pillans, F.S.</td>
<td>Wilkin (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rolland, James</td>
<td>Saunders</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shennan, Watson</td>
<td>Stevens (b. England)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stafford</td>
<td>Stuart</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sutherland</td>
<td>Tolmie (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Smith, J.C.</td>
<td>McIntyre (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>McKellar Brothers (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>McLean, John (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>McLean, Donald (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>McNab (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in England or Wales</td>
<td>Born Ireland</td>
<td>Born Scotland</td>
<td>To New Zealand via Australia</td>
<td>To New Zealand via Other Colonies</td>
<td>To New Zealand via Other Countries</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------</td>
<td>---------------</td>
<td>-----------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MacDonald, A.A. (b. Scotland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>John Ellis (b. England)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX 13

### RELIGIOUS DENOMINATIONS OF RUNHOLDERS FROM APPENDIX 10

<table>
<thead>
<tr>
<th>Church of England</th>
<th>Presbyterian</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baldwin</td>
<td>Anderson</td>
<td>Cameron, D.A. (R.C.)</td>
</tr>
<tr>
<td>Bell, F.D.</td>
<td>Atkinson</td>
<td>Loughnan (R.C.)</td>
</tr>
<tr>
<td>Boyd, J.T.T.</td>
<td>Captain Brown</td>
<td>Ferens (Wesleyan)</td>
</tr>
<tr>
<td>Buchanan</td>
<td>Cargill, John</td>
<td></td>
</tr>
<tr>
<td>Clarke</td>
<td>Cowan</td>
<td></td>
</tr>
<tr>
<td>Campbell</td>
<td>Cuthbertson Brothers</td>
<td></td>
</tr>
<tr>
<td>Ellis</td>
<td>Roberts</td>
<td></td>
</tr>
<tr>
<td>Fulton (also had</td>
<td>Handyside?</td>
<td></td>
</tr>
<tr>
<td>Presbyterian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>sympathies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rowley</td>
<td>Holmes</td>
<td></td>
</tr>
<tr>
<td>Hamilton</td>
<td>MacKenzie</td>
<td></td>
</tr>
<tr>
<td>Hankinson Brothers</td>
<td>Turnbull</td>
<td></td>
</tr>
<tr>
<td>Hodge Brothers</td>
<td>Nielson</td>
<td></td>
</tr>
<tr>
<td>Howell</td>
<td>Reid, John</td>
<td></td>
</tr>
<tr>
<td>Orbell and sons</td>
<td>Rolland, A.</td>
<td></td>
</tr>
<tr>
<td>Jones and sons</td>
<td>Sanders</td>
<td></td>
</tr>
<tr>
<td>Julius Brothers</td>
<td>Tolmie</td>
<td></td>
</tr>
<tr>
<td>Murison</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preston</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roberts, W.H.S.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stevens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robison</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strode</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraser</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sutton Brothers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teschemaker</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trumble</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wayne</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T.C. Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John McGregor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insolvent</td>
<td>Foreclosure/Adversity</td>
<td>Estate £5,000</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Bell, G.M.</td>
<td>Aitken</td>
<td>Borton</td>
</tr>
<tr>
<td>Bell, F.D.</td>
<td>Atkinson</td>
<td>Graham, C.C.</td>
</tr>
<tr>
<td>Cargill, J.</td>
<td>Baldwin</td>
<td>Cuthbertson, J.R.</td>
</tr>
<tr>
<td>Driver</td>
<td>Campbell, H.</td>
<td>Maitland, G.H.</td>
</tr>
<tr>
<td>MacDonald, A.A.</td>
<td>Champion</td>
<td>Maitland, J.P.</td>
</tr>
<tr>
<td>Ferens</td>
<td>Holt</td>
<td>Greig</td>
</tr>
<tr>
<td>Grant, A.</td>
<td>Hill</td>
<td>Orbell, H.</td>
</tr>
<tr>
<td>Humphreys</td>
<td>Hodge, J.A.</td>
<td>Pagan, J.M.</td>
</tr>
<tr>
<td>Julius, E.A.</td>
<td>Hodge, H.K.</td>
<td>Pagan, W.</td>
</tr>
<tr>
<td>Julius, R.</td>
<td>Jones, W.</td>
<td>Poyer</td>
</tr>
<tr>
<td>MacLean, J.</td>
<td>McGregor, J.</td>
<td></td>
</tr>
<tr>
<td>Main</td>
<td>Raymond</td>
<td></td>
</tr>
<tr>
<td>Maitland, G.G.</td>
<td>Reinecker</td>
<td></td>
</tr>
<tr>
<td>McKellar, J.</td>
<td>Hunter</td>
<td></td>
</tr>
<tr>
<td>Miller, W.</td>
<td>Rich</td>
<td></td>
</tr>
<tr>
<td>Morrison</td>
<td>Fraser</td>
<td></td>
</tr>
<tr>
<td>Murison, J.</td>
<td>Taylor</td>
<td></td>
</tr>
<tr>
<td>Nielson</td>
<td>Thornhill, C.B.</td>
<td></td>
</tr>
<tr>
<td>Roberts, F.</td>
<td>Thornhill, J.G.</td>
<td></td>
</tr>
<tr>
<td>Roberts, W.H.S.</td>
<td>Von Tunzelman</td>
<td></td>
</tr>
<tr>
<td>Robison</td>
<td>Wayne</td>
<td></td>
</tr>
<tr>
<td>Rogers</td>
<td>Webster, G.M.</td>
<td></td>
</tr>
<tr>
<td>Schlotel</td>
<td>Basstian</td>
<td></td>
</tr>
<tr>
<td>Stuart</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tolmie, D.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wilkin</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 14 - FINANCIAL POSITION OF RUNHOLDERS IN APPENDIX 10
## APPENDIX 15

### RUNHOLDERS' DURATION OF TENURE: 1870-89

(A solid black line indicates the duration of their tenure, while a broken line shows that tenure was carried on by family, or by the runholder's estate).

<table>
<thead>
<tr>
<th>Year</th>
<th>Photograph</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td></td>
<td>AITKEN, Robert W.</td>
</tr>
<tr>
<td>1871</td>
<td></td>
<td>ANDERSON, John</td>
</tr>
<tr>
<td>1872</td>
<td></td>
<td>ATKINSON, Edward B.</td>
</tr>
<tr>
<td>1873</td>
<td></td>
<td>BALDWIN, Capt W.</td>
</tr>
<tr>
<td>1874</td>
<td></td>
<td>BASSTIAN, Christoph</td>
</tr>
<tr>
<td>1875</td>
<td></td>
<td>BELL, Francis D.</td>
</tr>
<tr>
<td>1876</td>
<td></td>
<td>BELL, George M.</td>
</tr>
<tr>
<td>1877</td>
<td></td>
<td>BORTON, John</td>
</tr>
<tr>
<td>1878</td>
<td></td>
<td>MCMASTER, Alex</td>
</tr>
<tr>
<td>1879</td>
<td></td>
<td>BOYD, Allan</td>
</tr>
<tr>
<td>1880</td>
<td></td>
<td>BOYD, John</td>
</tr>
<tr>
<td>1881</td>
<td></td>
<td>BOYD, Capt J.T.T.</td>
</tr>
<tr>
<td>1882</td>
<td></td>
<td>BOYES, Charles C.</td>
</tr>
<tr>
<td>1883</td>
<td></td>
<td>BOYES, Frank C.</td>
</tr>
<tr>
<td>1884</td>
<td></td>
<td>BROWN, Capt J.G.</td>
</tr>
<tr>
<td>1885</td>
<td></td>
<td>BUCKANAN, Dr A.</td>
</tr>
<tr>
<td>1886</td>
<td></td>
<td>BUTCHER, John</td>
</tr>
<tr>
<td>1887</td>
<td></td>
<td>CABLE, Henry</td>
</tr>
<tr>
<td>1888</td>
<td></td>
<td>DRUMMOND, Duncan</td>
</tr>
<tr>
<td>1889</td>
<td></td>
<td>CALCUTT, Thomas</td>
</tr>
<tr>
<td>1890</td>
<td></td>
<td>WENLOWE, Edward</td>
</tr>
<tr>
<td>1891</td>
<td></td>
<td>CALLER, William H.</td>
</tr>
<tr>
<td>1892</td>
<td></td>
<td>BLACKLOCK, John</td>
</tr>
<tr>
<td>1893</td>
<td></td>
<td>CAMERON, Donald A.</td>
</tr>
<tr>
<td>1894</td>
<td></td>
<td>CAMPBELL, Henry</td>
</tr>
<tr>
<td>1895</td>
<td></td>
<td>CAMPBELL, Robt Jnr</td>
</tr>
<tr>
<td>1896</td>
<td></td>
<td>LOW, William A.</td>
</tr>
<tr>
<td>1897</td>
<td></td>
<td>CARGILL, John</td>
</tr>
<tr>
<td>1898</td>
<td></td>
<td>ANDERSON, Edward R.</td>
</tr>
<tr>
<td>1899</td>
<td></td>
<td>CHAMPION, Edmund P.</td>
</tr>
<tr>
<td>1900</td>
<td></td>
<td>CHAPMAN, Henry S.</td>
</tr>
<tr>
<td>1901</td>
<td></td>
<td>CHAPMAN, Charles W.</td>
</tr>
<tr>
<td>1902</td>
<td></td>
<td>CLARK, Alex. M.</td>
</tr>
<tr>
<td>1903</td>
<td></td>
<td>MOLT, Francis S.</td>
</tr>
<tr>
<td>1904</td>
<td></td>
<td>CLARKE, W.J.T.</td>
</tr>
<tr>
<td>1905</td>
<td></td>
<td>CONER, J.C.H.</td>
</tr>
<tr>
<td>1906</td>
<td></td>
<td>DOUGLAS, John A.</td>
</tr>
<tr>
<td>1907</td>
<td></td>
<td>GRAHAM, Charles C.</td>
</tr>
<tr>
<td>1908</td>
<td></td>
<td>COX, J.R.W.</td>
</tr>
<tr>
<td>1909</td>
<td></td>
<td>CONAN, Cuthbert</td>
</tr>
<tr>
<td>1910</td>
<td></td>
<td>CUNNING, William</td>
</tr>
<tr>
<td>1911</td>
<td></td>
<td>CUTHBERTSON, J.R.</td>
</tr>
<tr>
<td>1912</td>
<td></td>
<td>DALGOTTO, F.G.</td>
</tr>
<tr>
<td>1913</td>
<td></td>
<td>DRIVER, Henry</td>
</tr>
<tr>
<td>1914</td>
<td></td>
<td>MacDONALD, Angus A.</td>
</tr>
<tr>
<td>1915</td>
<td></td>
<td>DUNNAS, John F.</td>
</tr>
<tr>
<td>1916</td>
<td></td>
<td>ELLIOTT, John</td>
</tr>
<tr>
<td>1917</td>
<td></td>
<td>ELLIS, Capt John</td>
</tr>
<tr>
<td>1918</td>
<td></td>
<td>FENWICK, C.L.C.</td>
</tr>
<tr>
<td>1919</td>
<td></td>
<td>FENWICK, William</td>
</tr>
<tr>
<td>1920</td>
<td></td>
<td>FERGUS, Thomas</td>
</tr>
<tr>
<td>1921</td>
<td></td>
<td>FULTON, James</td>
</tr>
<tr>
<td>1922</td>
<td></td>
<td>FULTON, Francis</td>
</tr>
<tr>
<td>1923</td>
<td></td>
<td>GELFENBERG, W.St.P.</td>
</tr>
<tr>
<td>1924</td>
<td></td>
<td>GLASSMORR, J.G.G.</td>
</tr>
<tr>
<td>1925</td>
<td></td>
<td>GORDON, William P.</td>
</tr>
</tbody>
</table>

**Notes:**
- D 1875 £42842
- D 1898 Insolvent
- D 1899 Insolvent
- D 1916 £22810
- D 1931 £98000
- D 1898 £16746
- D 1895 £25689
- D 1913 £2842
- Insolvent
- Joseph Clarke insolvent?
### Runholders' Duration of Tenure

| Year | 1870 | 1871 | 1872 | 1873 | 1874 | 1875 | 1876 | 1877 | 1878 | 1879 | 1880 | 1881 | 1882 | 1883 | 1884 | 1885 | 1886 | 1887 | 1888 | 1889 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Grant, Alexander | | | | | | | | | | | | | | | | | | | | |
| MacDonald, Alan | | | | | | | | | | | | | | | | | | | | |
| Gray, Robert | | | | | | | | | | | | | | | | | | | | |
| Gunn, George | | | | | | | | | | | | | | | | | | | | |
| Hamilton, Capt. J. | | | | | | | | | | | | | | | | | | | | |
| Rowley, John Cotton | | | | | | | | | | | | | | | | | | | | |
| Maitland, Hugh | | | | | | | | | | | | | | | | | | | | |
| Roberts, Sir John | | | | | | | | | | | | | | | | | | | | |
| Mackenzie, Donald | | | | | | | | | | | | | | | | | | | | |
| Neely, John | | | | | | | | | | | | | | | | | | | | |
| Hill, Thomas Coke | | | | | | | | | | | | | | | | | | | | |
| Hodge, John Ambrose | | | | | | | | | | | | | | | | | | | | |
| Hodge, Henry Kirke | | | | | | | | | | | | | | | | | | | | |
| Holmes, Mathew | | | | | | | | | | | | | | | | | | | | |
| Newell, Capt. John | | | | | | | | | | | | | | | | | | | | |
| Newell, Russell | | | | | | | | | | | | | | | | | | | | |
| Loughman, T.C. | | | | | | | | | | | | | | | | | | | | |
| Humphreys, E.W. | | | | | | | | | | | | | | | | | | | | |
| Ebbotson, Charles | | | | | | | | | | | | | | | | | | | | |
| Johnston, William | | | | | | | | | | | | | | | | | | | | |
| Greell, John | | | | | | | | | | | | | | | | | | | | |
| Jones, Alfred S. | | | | | | | | | | | | | | | | | | | | |
| Jones, William | | | | | | | | | | | | | | | | | | | | |
| Julis, Herbert A. | | | | | | | | | | | | | | | | | | | | |
| Julis, Eric A. | | | | | | | | | | | | | | | | | | | | |
| Julis, Reginald | | | | | | | | | | | | | | | | | | | | |
| Logan, James | | | | | | | | | | | | | | | | | | | | |
| Low, John | | | | | | | | | | | | | | | | | | | | |
| Low, Thomas C. | | | | | | | | | | | | | | | | | | | | |
| Moodie, John | | | | | | | | | | | | | | | | | | | | |
| MacKenzie, Capt. P. | | | | | | | | | | | | | | | | | | | | |
| MacLean, John | | | | | | | | | | | | | | | | | | | | |
| Main, David Forsyth | | | | | | | | | | | | | | | | | | | | |
| Maitland, David | | | | | | | | | | | | | | | | | | | | |
| Maitland, George H. | | | | | | | | | | | | | | | | | | | | |
| Maitland, William G. | | | | | | | | | | | | | | | | | | | | |
| Maitland, James P. | | | | | | | | | | | | | | | | | | | | |
| Maitland, George G. | | | | | | | | | | | | | | | | | | | | |
| Martin, William | | | | | | | | | | | | | | | | | | | | |
| Turnbull, Robt. McG. | | | | | | | | | | | | | | | | | | | | |
| Greg, William | | | | | | | | | | | | | | | | | | | | |
| McTavish, Hugh | | | | | | | | | | | | | | | | | | | | |
| McMillan, David | | | | | | | | | | | | | | | | | | | | |
| McKeever, Peter | | | | | | | | | | | | | | | | | | | | |
| McKeever, John | | | | | | | | | | | | | | | | | | | | |
| McLaren, Robert | | | | | | | | | | | | | | | | | | | | |
| McLean, "Big" John | | | | | | | | | | | | | | | | | | | | |
| McLean, Donald | | | | | | | | | | | | | | | | | | | | |
| McNab, Alex | | | | | | | | | | | | | | | | | | | | |
| Newell, Capt. A. | | | | | | | | | | | | | | | | | | | | |
| Newell, Major W. | | | | | | | | | | | | | | | | | | | | |
| Miller, Walter | | | | | | | | | | | | | | | | | | | | |
| Henderson, Capt. J. | | | | | | | | | | | | | | | | | | | | |
| Morrison, Arthur W. | | | | | | | | | | | | | | | | | | | | |
| Morrison, "Honest" J. | | | | | | | | | | | | | | | | | | | | |
| Morrison, William D. | | | | | | | | | | | | | | | | | | | | |
| Morrison, James | | | | | | | | | | | | | | | | | | | | |

**Notes:**
- D 1833 £1136 8
- D 1892 £2306 1
- D 1902 £22,182
- D 1890 £6,000
- D 1891 Insolvent
<table>
<thead>
<tr>
<th>1870</th>
<th>71</th>
<th>72</th>
<th>73</th>
<th>74</th>
<th>75</th>
<th>76</th>
<th>77</th>
<th>78</th>
<th>79</th>
<th>1880</th>
<th>81</th>
<th>82</th>
<th>83</th>
<th>84</th>
<th>85</th>
<th>86</th>
<th>87</th>
<th>88</th>
<th>89</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIELSON, Thos. B.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GREGG, Henry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MILLER, Sir Henry J.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GREGG, Wm. G. C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORBELL, Thomas T.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAGAN, John McK.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAGAN, William</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PILKINS, Francis S.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POINDEXTER, George F.B.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRESTON, Joseph P.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAYMOND, Capt. J.W.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARID, John</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RICE, Walter, B.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RICH, Francis D.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROBERTS, Fitzclaren</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROBERTS, W.H.S.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROBINSON, Harry C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROGERS, Joseph</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLLAND, James H.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROLLAND, Adam</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUTHERFORD,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRANT, A.J.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SANDERS, William</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCHLOTTEL, James B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCHLOTTEL, Edmund J.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHEPPARD, Walter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMITH, James C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAFFORD, Sir E.W.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STEVENS, Capt. W.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STOEZE, A.R.C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRASER, W.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STUART, Robert</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUTHERLAND, John</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POLSON, Donald Gunn</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUTTON, John A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUTTON, George A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STANSON, Charles L.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAYLOR, Robert</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TESCHEMAKER, W.H.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THORROCK, C.B.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THORRILL, J.G.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOLLO, William</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOLLO, Donald</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TROTTER, William S.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRENCH, Thomas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Von TESSELMAN, N.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WATNE, Frederick</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEBSTER, Dr. G.N.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEBSTER, Capt. Geo.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WENTWOOD, Fitt.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHITE, John</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHITE, Taylor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WILKIN, Robert</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THOMSON, Archibald</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YOUNG, Sir Henry E.F.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Duration of Tenure (continued)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>£14.92</td>
</tr>
<tr>
<td>1893</td>
<td>£60.00</td>
</tr>
<tr>
<td>1894</td>
<td>£18.96</td>
</tr>
<tr>
<td>1895</td>
<td>£10.00</td>
</tr>
<tr>
<td>1896</td>
<td>Insolvent</td>
</tr>
</tbody>
</table>
NOTES TO APPENDIX 15

(An asterisk indicates owners of sheep in the 1889 return.)

Aitken  Aitken disappears from the sheep returns between 1878 and 1880. He had apparently been foreclosed.

Anderson  Anderson sold his station around 1882 and went to Hawke's Bay. His last sheep return was filed in 1882.

Atkinson  Atkinson was foreclosed in 1870.

Baldwin  Baldwin’s run was transferred to R. Campbell in 1870. Baldwin appeared to be in some financial difficulty at that time.

*Basstian  Basstian appears as the owner of 18,000 sheep in 1889. His deceased estate valued at £2,842 in 1895 and his name appeared among the bad debts of the Colonial Bank several years later.

*Bell, F.D.  A.D. Bell was listed as owning 33,000 sheep in 1889 and 32,033 sheep were held in the name of F.D. Bell. F.D. Bell was insolvent at the time of his death.

*Bell, G.M.  G.M. Bell is listed as the owner of 33,000 sheep in 1889. He was insolvent at the time of his death.

*Borton & McMaster  In 1889, 23,000 sheep were held in the name of the executors of A. McMaster and 16,485 sheep were held in the name of J. Borton. Borton’s estate valued at £3,000 in 1916.

*Boyd Brothers  The firm of Boyd Brothers held 26,900 sheep in 1889.

Boyd J.T.T.  Boyd disappeared from the sheep returns between 1873 and 1876.

Boyces Brothers  This partnership was foreclosed in 1886.
Brown, J.G.  Brown transferred his run to his son and T.L Barnill, who were foreclosed in 1879.

Buchanan  It is likely that Buchanan's interest in Patearoa was assigned to Baldwin, who sold to Handyside and Roberts in 1875.

Butement  Butement was foreclosed in 1888.

Cable & Drummond  This partnership disappeared from the sheep returns between 1878-80.

*Calcutt & Menlove  Menlove appears as the owner of 13,367 sheep in 1889.

Calder & Blacklock  This firm disappeared from the sheep returns between 1873 and 1876.

Cameron, D.A.  Cameron disappeared from the sheep returns between 1884 and 1885.

Campbell, H  Campbell's properties were acquired by Murray Roberts & Co between 1888 and 1889. The size of his debts in relation to his assets suggests that his solvency was doubtful.

*Campbell, R.  Campbell died in 1889 and left no successor; 212,934 sheep were held in the name of R. Campbell in 1889.

Campbell and W.A. Low  Low sold his Otago interests in 1875.

*Canterbury & Otago Association  Amalgamated with the New Zealand & Australian Land Company.

*Cargill & Anderson  Cargill and Anderson appear as the owners of 64,401 sheep in 1889, but their properties were already in the possession of mortgagees.

Champion  Champion was foreclosed in 1870.
Chapman, H. & E. This firm filed its last sheep return in 1882.

Clark, A.M. Clark's last sheep return was filed in 1871.

Clark and Holt Holt had left by 1871 and appears to have been in financial difficulties.

*Clarke, W.J.T. Joseph Clarke owned 66,770 sheep in 1889. His solvency was doubtful at the time of his death in 1895.

Comber & Douglas This firm sold its property to Shennan in 1873, and was apparently in some difficulties at that time. Comber was insolvent at the time of his death.

Cook & Graham Cook and Graham sold their run to R. Campbell in 1870.

*Cowan Cowan appears as the owner of 3,170 sheep in 1889.

Cumine Cumine died in 1869. Sheep returns were filed by Mrs J. Cumine between 1878-80. Cumine brothers, who held 6,942 acres at Kaihiku in 1889 may have been members of this family.

Cuthbertson Brothers It appears that the Cuthbertsons sold their main pastoral interests in 1876. R.F. Cuthbertson had 4,500 sheep in 1879, but is not listed in the 1882 sheep return.

*Dalgety Dalgety ran 114,420 sheep in 1889.

Driver Maclean & Co This firm was declared bankrupt in 1871. Driver had various properties in later years, and 1,400 sheep were held in the name of Henry Driver in 1889.

Driver MacDonald & Co This partnership became bankrupt in 1871.

Dundas Dundas had 464 sheep in 1883, which appears to be the year of his last sheep return.
Elliot  Elliot's name disappeared from the sheep returns between 1878 and 1880.

*Ellis In 1889, 52,506 sheep were owned in the names of J.C. Ellis and Ellis & Vinning.

Fenwick, C.L.C. Fenwick died in 1875. His trustees ran some 15,000 sheep until 1883.


Ferens  Ferens was foreclosed in 1871.

*Fulton, J. & F. Francis Fulton owned 15,383 sheep in 1889.

Gellibrand & Smith  This syndicate appears to have disposed of its interests between 1888 and 1889.

Glassford  Glassford died in 1881. His executors filed sheep returns until 1885.

Gordon  Gordon's property was disposed of between 1873 and 1876.

Grant & MacDonald  Grant was bankrupt by 1872.

Gray  Gray died in 1880 and no sheep returns were filed in his name after this date.

Gunn  Gunn disappeared from the sheep returns between 1873 and 76.

*Hamilton & Rowley  In 1889, 6,000 sheep were held in the name of Hamilton & Rowley at Nightcaps.

Handyside & Roberts  This partnership existed until 1882 or 1883.

Hankinson Brothers  Hankinson brothers filed their last sheep return in 1882.
Healey  Healey's last sheep return appears to have been filed in 1871.

Hill  Hill was foreclosed in 1884.

Hodge Brothers  Hodge Brothers were foreclosed in 1879.

*Holmes  Holmes owned 42,600 sheep in 1889.

Howell  John Howell died in 1874.

*Howell Loughran & Cocks  Howell and Cocks owned 36,000 sheep in 1889.

Humphreys:  Humphreys was insolvent at the time of his death in 1892. The last sheep return in his name appears to have been filed in 1883.

*Ibbotson  In 1889, 23,526 sheep were held in the name of F.W. Ibbotson.

Johnstone, W  The last sheep return in the name of W. Johnstone was in 1885, at which time his flock had shrunk to 550. A son may have carried on this property.

Jones & Orbell  This partnership does not appear to have survived beyond 1871.

Jones, W.  William Jones does not appear to have been a stock-owner after 1871.

Julius Brothers  The Julius Brothers became bankrupt in 1871.

*Logan  Logan owned 32,858 sheep in 1889.

Low, John  Low does not appear to have been an owner of stock beyond 1870.

MacDonald, D. & A  These men do not appear to have been owners of stock after 1871.
Notes to Appendix 15

McGregor & Low  This partnership sold its interests to R. Campbell around 1870.


MacLean, John  MacLean became bankrupt in 1871.

Main  Main was insolvent at the time of his death in 1880.

Maitland, D., W. & G.  The Maitland family sold its main pastoral interests in 1874.

Maitland, George Gammie  Maitland was foreclosed in 1870.

Martin  Martin does not appear to have been an owner of stock after 1872.

*Turnbull & Greig  In 1889, 26,380 sheep were held in the name of R.M. Turnbull. Greig died in 1871 and left an estate valued at less than £100.

McIntyre  McIntyre died in 1883. His estate was gradually liquidated by the Loan Company during the 1880s.

McKellar & Jackson  This partnership does not seem to have survived beyond 1870.

*McKellar, David  McKellar owned 23,045 sheep in 1889.

*McKellar, P.  The executors of P. McKellar owned 8,396 sheep in 1889.

McKellar, John  McKellar was made bankrupt in 1883.

McLaren, Greig & Turnbull  This partnership filed its last sheep return in 1884.

McLaren Renshaw & Co  This firm does not appear on the sheep returns after 1870.
*McLean, John  McLean owned 17,870 sheep in Otago in 1889.

McLean, D.  McLean filed no stock return after 1870.

*McNab  McNab owned 18,100 sheep in 1889.

McNeill Brothers  McNeill Brothers sold to the New Zealand Agricultural Company in 1877.

Miller  Miller was declared bankrupt in 1884

Henderson  Henderson’s last sheep return was filed in 1888. He had been trying to dispose of his run since 1878.

Morris  Morris does not appear in the sheep returns after 1870.

*Morrison  Morrison owned 6,000 sheep in 1889, but was insolvent by the time of his death in 1891.

Murison Brothers  Murison Brothers were foreclosed in 1872.


Nielson  Nielson was declared bankrupt in 1870.

*Miller  Miller owned 450 sheep in 1889.

*Orbell, H.  Orbell owned 13,000 sheep in 1889, but his solvency at this time was questionable.

Orbell, M.  Orbell’s last sheep return was in 1887, at which time he possessed 29,359 sheep.

Ord  Ord died in 1873 and his run was sold.
Pagan Brothers William Pagan owned 6,800 sheep in 1873, but owned only nine head of cattle by 1877.

*Pillans Pillans owned 7,000 sheep in 1889.

*Poynter Poynter owned 1,726 sheep in 1889. His deceased estate was worth less than £500 in 1920.

*Preston Joseph Preston owned 12,200 sheep in 1889 and 11,200 sheep were held in the name of J.R. Preston.

Raymond Raymond was insolvent by 1879. He filed his last sheep return in 1880.

*Reid Reid owned 30,660 sheep in 1889.

Reinecker & Hunter This partnership was in financial difficulties by 1871. The run was sold to R. Campbell in 1872.

Rich Rich filed his last sheep return in 1886. He left Otago around 1887, by which time he was in financial difficulties.

Roberts, F. Roberts became bankrupt in 1879.

Roberts, W.H.S. Roberts was foreclosed in 1871. He became bankrupt in 1891.

Robison Robison became bankrupt in 1871.

*Rogers Rogers owned 22,700 sheep in 1889. He was insolvent at the time of his death.

Rolland Brothers The Rollands filed their last sheep return between 1878-80.

Rutherford & Grant This partnership transferred their run to P.C. Neill between 1873 and 1876.
Sanders Brothers  The Sanders sold their run in 1874.

Schlotel Brothers  E.J. Schlotel became bankrupt in 1870.

*Shennan  Shennan owned 9,730 sheep in 1889.

Shrimpton  Shrimpton's last sheep return was filed in 1872. He left the Province in 1874.

*Smith, J.C.  Smith owned 37,694 sheep in 1889.

Stafford & Bell  The Stafford family's interest in the Idaburn run was finally sold in the 1920s, but it seems that the flock was declared under the name of F.D. Bell in later years.¹

*Stevens  Stevens owned 19,100 sheep in 1889. He was insolvent at the time of his death.

*Strode & Fraser  Fraser had taken over Strode's interest and appears as the owner of 24,800 sheep in 1889. It seems that he was only the nominal owner of the property, for he was reported to be in severe financial difficulties as early as 1884.

Stuart & Kinross  This firm appears to have sold its run in 1875, although the partnership does not appear in the sheep returns after 1871.

Stuart, R.  Stuart became bankrupt in 1871.

Sutherland & Polson  This partnership filed its last sheep return in 1881, by which time its flock had diminished to 400.

Sutton's Trustees  The trustees sold the run in 1873.

Swanston  Swanston sold his flock in 1877.

¹E. Bohan, Edward Stafford, p. 381.
*Taylor  Taylor appears as the owner of 4,500 sheep in 1889, but his run was under the control of the NZLMACo.

*Teschemaker & Co  This partnership owned 19,000 sheep in 1889.

*Teschemaker, W.H.  Teschemaker owned 22,973 sheep in 1889.

Thornhill Brothers  The Thornhill Brothers were foreclosed around 1881.

*Tolmie  Tolmie's executors still held 15,661 sheep in 1889.

*Trotter  Trotter owned 159 sheep in 1889.

*Trumble  Trumble owned 300 sheep in 1889.

Von Tunzelman & Pickett  Von Tunzelman's flock was reduced to 450 in 1872. It appears that he had lost most of his property through foreclosure in 1871.

Wayne  Wayne was foreclosed 1886.

Webster, G.M.  Webster died in 1877, by which date he appears to have been in financial difficulties.

Webster, G.  Webster died in 1875 and his run interests were acquired by Larnach and Driver.

Wentworth  Wentworth disappeared from the sheep returns between 1873 and 1876.

White Brothers  The Whites left the Province around 1875.

Wilkin & Thomson  This firm does not appear on the sheep returns after 1870.

*Young  Young owned 40,000 sheep in 1890.
<table>
<thead>
<tr>
<th>Trustees/Heirs</th>
<th>Absentees</th>
<th>Insolvents</th>
<th>Arguably &quot;Gentry&quot;</th>
<th>Non-&quot;Gentry&quot;</th>
<th>Status</th>
<th>Uncertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellis</td>
<td>Clarke, J.</td>
<td>Basstian</td>
<td>Campbell, R.</td>
<td>Boyd, A.</td>
<td>Cowan</td>
<td></td>
</tr>
<tr>
<td>Ibbotson</td>
<td>Dalgety</td>
<td>Bell, G.M.</td>
<td>Fenwick, W.</td>
<td>Boyd, J.</td>
<td>Holmes, M.</td>
<td></td>
</tr>
<tr>
<td>McKellar, P.</td>
<td>Howell, R.</td>
<td>Bell, F.D.</td>
<td>Fulton, F.</td>
<td>Menlove</td>
<td>Preston</td>
<td></td>
</tr>
<tr>
<td>Stafford</td>
<td>Cargill, J.</td>
<td>Fulton, J.</td>
<td>Logan</td>
<td>Turnbull, R.M.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young</td>
<td>Anderson, E.R.</td>
<td>Hamilton</td>
<td>McKellar, D.</td>
<td>Poynter</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Morrison</td>
<td>Rowley</td>
<td>McLean, J.</td>
<td>Trumble (&lt;5000 sheep)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rogers</td>
<td>MacKenzie</td>
<td>Reid, J.</td>
<td></td>
<td>McNab</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stevens</td>
<td>Miller, H.J. (&lt;5000 sheep)</td>
<td>Shennan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraser</td>
<td>Pillans</td>
<td>Smith, J.C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taylor</td>
<td></td>
<td>Trotter (&lt;5000 sheep)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orbell, H.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**APPENDIX 16 - RUNHOLDERS OF 1870 PRESENT IN THE SHEEP RETURN OF 1889**
The large increase in 1880 was a response to the tight money supply following the City of Glasgow Bank failure. The value of mortgages registered in Otago and Southland is shaded.
APPENDIX 18

AUSTRALASIAN FINANCE HOUSES AND THEIR BORROWING: 1884

<table>
<thead>
<tr>
<th></th>
<th>Paid Up Capital</th>
<th>Debentures and Deposits</th>
<th>Total Funds Handled</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMLFCo</td>
<td>400,000</td>
<td>1,554,700</td>
<td>2,354,700</td>
</tr>
<tr>
<td>A&amp;NZ Mortg</td>
<td>116,740</td>
<td>769,985</td>
<td>901,725</td>
</tr>
<tr>
<td>B&amp;NZ Mortg</td>
<td>71,395</td>
<td>261,785</td>
<td>334,471</td>
</tr>
<tr>
<td>CI&amp;ACo</td>
<td>88,478</td>
<td>400,000</td>
<td>518,078</td>
</tr>
<tr>
<td>NMA</td>
<td>100,000</td>
<td>770,698</td>
<td>890,698</td>
</tr>
<tr>
<td>NZLMACo</td>
<td>314,245</td>
<td>2,851,844</td>
<td>3,386,089</td>
</tr>
<tr>
<td>NZM&amp;I</td>
<td>46,222</td>
<td>188,780</td>
<td>235,002</td>
</tr>
<tr>
<td>OSICo</td>
<td>150,000</td>
<td>650,089</td>
<td>875,089</td>
</tr>
</tbody>
</table>

These figures were published in an article in Blackwood's Magazine (October 1884, p. 470), which was republished in the ODT, 11 February 1885. The author noted, "with one or two exceptions, the subjoined... companies get the bulk of their funds from Scotland; without Scotland they could not in fact exist" (p. 469). This assertion went uncontradicted in the subsequent discussion of the article in the ODT.
APPENDIX 19

MAJOR IMPORTERS IN OTAgo c.1870

James & John H. Barr
Bates Sise & Co
Bing Harris & Co
Bright Brothers
Butterworth Brothers
Cargills & McLean
Dalgety & Rattray
Henderson Law & Co
Lange & Thoneman
McCallum Neill & Co
J.T. MacKerras
R.B. Martin & Co
Ross & Gledining
G.G. Russell
Sargood Son & Ewen
W. & J. Scoular
William Stavely & Co
W. & G. Turnbull & Co
William Watson & Son
R. Wilson & Co
APPENDIX 20

SELECTION OF DUNEDIN'S IMPORTANT MANUFACTURING ENTERPRISES IN 1870

Tinsmiths
Park & Curle
James Curle

Tent & Sail Makers
John Edmond

Saw Mills
Black & Thomson
Gibbs & Clayton
Guthrie & Asher

Printers
Fergusson & Mitchell
Mills Dick & Co
H. Wise

Leather & Grindery
G.P. Farquhar

Ironfounders
James Davidson (Standard Iron Works)
Kincaid McQueen (Vulcan Foundry)
William Wilson (Otago Foundry)
R.S. Sparrow (Dunedin Iron Works)

Brassfounders
A. & T. Burt

Distillers
The New Zealand Distillery Company
## APPENDIX 21

### DUNEDIN-BASED COAL COMPANIES: 1870s AND 1880s

<table>
<thead>
<tr>
<th>Company</th>
<th>Registered</th>
<th>Nominal Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walton Park</td>
<td>1874</td>
<td>£20,000</td>
</tr>
<tr>
<td>Kaitangata</td>
<td>1875</td>
<td>£25,000</td>
</tr>
<tr>
<td>Shag Point</td>
<td>1877</td>
<td>£12,000</td>
</tr>
<tr>
<td>Green Island</td>
<td>1879</td>
<td>£7,500</td>
</tr>
<tr>
<td>Westport Colliery</td>
<td>1878</td>
<td>£100,000</td>
</tr>
<tr>
<td>Greymouth</td>
<td>1880</td>
<td>£15,000</td>
</tr>
<tr>
<td>Wallsend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fernhill</td>
<td>1881</td>
<td>£25,000</td>
</tr>
<tr>
<td>Kaitangata Lake¹</td>
<td>1884</td>
<td>£50,000</td>
</tr>
<tr>
<td>Westport Coal</td>
<td>1881</td>
<td>£400,000</td>
</tr>
<tr>
<td>Albion</td>
<td>1874</td>
<td></td>
</tr>
</tbody>
</table>

Shares in the Greymouth Wallsend Company were offered to investors in 1880. The prospectus stated that £45,000 had been spent on the mine, and it was now being offered for £10,000. The previous history of the mine had been one of failure and misfortune.² The Albion Coal Company was floated in 1874 and had its head office in Nelson.³ In 1877 the management was transferred to Dunedin and a new board elected which included Larnach, Oliver, Turnbull and Brodrick.⁴

---

¹ This Company was not floated.
² ODT, 10 February 1880.
³ ODT, 21 July 1874.
⁴ ODT, 14 May 1877.
APPENDIX 22

DIRECTORS AND SHAREHOLDERS OF DUNEDIN COAL COMPANIES

(D) = Director
(S) = Shareholder

A = Albion Coal Company
F = Fernhill Railway & Coal Company
GI = Green Island Coal Company
GW = Greymouth Wallsend Colliery Company
KL = Kaitangata Lake Coal Company
Ko = Koranui Coal Company
SP = Shag Point Coal Company
WC = Westport Colliery Company
WCC = Westport Coal Company
WP = Walton Park Coal & Pottery Company

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>(D)</th>
<th>(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartleman, A.</td>
<td>WCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bastings, H.</td>
<td>KL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brodrick, G.S.</td>
<td>WP</td>
<td>(D)</td>
<td></td>
</tr>
<tr>
<td>Burns, A.J.</td>
<td>WCC</td>
<td>(D)</td>
<td>WC</td>
</tr>
<tr>
<td>Cargill, E.B.</td>
<td>WP</td>
<td>(D)</td>
<td>WCC</td>
</tr>
<tr>
<td>Cargill, J.</td>
<td>WP</td>
<td>(D)</td>
<td></td>
</tr>
<tr>
<td>Copeland, James</td>
<td>WP</td>
<td>(D)</td>
<td></td>
</tr>
<tr>
<td>Davie, John</td>
<td>GW</td>
<td>(D)</td>
<td></td>
</tr>
<tr>
<td>Eliott, G.W.</td>
<td>GI</td>
<td>(D)</td>
<td></td>
</tr>
<tr>
<td>Esther, George</td>
<td>KL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gillies, R.</td>
<td>WCC</td>
<td>(D)</td>
<td>WC</td>
</tr>
<tr>
<td>Graham, T.S.</td>
<td>WP</td>
<td>(D)</td>
<td></td>
</tr>
<tr>
<td>Gregg, W.</td>
<td>GI</td>
<td>(D)</td>
<td>KL</td>
</tr>
<tr>
<td>Hazlett, J.</td>
<td>K</td>
<td>(S)</td>
<td>Ko</td>
</tr>
<tr>
<td>Hocken, T.M.</td>
<td>K</td>
<td>(S)</td>
<td></td>
</tr>
<tr>
<td>Holmes, A</td>
<td>WCC</td>
<td>(D)</td>
<td>WC</td>
</tr>
<tr>
<td>Name</td>
<td>Initials</td>
<td>Title</td>
<td>Gender</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>Houghton, H.</td>
<td>WP (S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Howorth, H.</td>
<td>F (D)</td>
<td>WP (D)</td>
<td></td>
</tr>
<tr>
<td>Joachim, G.</td>
<td>WCC (D)</td>
<td>WC (D)</td>
<td></td>
</tr>
<tr>
<td>Kempthorne, T.</td>
<td>WP (S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Larnach</td>
<td>WCC (D)</td>
<td>WP (S)</td>
<td>A (D)</td>
</tr>
<tr>
<td>Law, H.</td>
<td>GW (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leary, R.H.</td>
<td>KL (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lee Smith A.</td>
<td>GI (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low, R.A.</td>
<td>WP (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MacKerras, J.T.</td>
<td>WP (D)</td>
<td>K (S)</td>
<td></td>
</tr>
<tr>
<td>Marshall, James</td>
<td>GW (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>McGregor, J.</td>
<td>GW (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mills, J.</td>
<td>WCC (D)</td>
<td>Ko (D)</td>
<td></td>
</tr>
<tr>
<td>Neill, P.C.</td>
<td>WCC (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oliver</td>
<td>WCC (D)</td>
<td>WC (D)</td>
<td></td>
</tr>
<tr>
<td>Prosser, E.</td>
<td>GW (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proudfoot</td>
<td>WCC (D)</td>
<td>A (D)</td>
<td>WC (D)</td>
</tr>
<tr>
<td>Ramsay, K</td>
<td>WCC (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reynolds</td>
<td>GW (D)</td>
<td>WCC (D)</td>
<td></td>
</tr>
<tr>
<td>Rich, F.D.</td>
<td>SP (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russell, G.G.</td>
<td>K (S)</td>
<td>WCC (D)</td>
<td></td>
</tr>
<tr>
<td>Spedding, D.M.</td>
<td>KL (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stewart, W.D.</td>
<td>WCC (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strode, A.C.</td>
<td>SP (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tewsley, H.</td>
<td>WC (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnbull, G.</td>
<td>G (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wain, J.</td>
<td>KL (D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wilson, R.</td>
<td>GW (D)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX 23

CONFLICTS AND MARITAL CONNECTIONS WITHIN OTAGO'S LEGAL PROFESSION

Alexander Bathgate, son of John, married Fanny Gibson Turton. His sister married Gibson Kirke Turton. A second sister married Alexander's partner, Noel Buchanan, the son of Dr Buchanan. Other sisters married John Edward Denniston and Edward Melland. The Melland brothers owned Te Anau Downs Station and were of a well-to-do mercantile family of Manchester. Denniston's brother married the daughter of Edmund Gibson, of Waitangi Station, and his other brother was the son-in-law of W.H. Reynolds. John Robert Sinclair married a daughter of Robert Chapman, Registrar of the Supreme Court. Garth Galloway married a daughter of Watson Shennan. Macassey married a daughter of Charles Kettle and in this way became related to John Roberts and T.S. Graham. His partners included Hyde Harris, G.K. Turton, C.C. Kettle and F.R. Chapman. Chapman was married to a daughter of one of his partners, George Cook. His father, H.S. Chapman, owned the Maniototo run, which subsequently passed to Noel Buchanan. Chapman practised for a time with Edward Chetham Strode, son of A.R.C. Strode of Earnscleugh Station. A daughter of Hyde Harris married Anthony McMaster of Marewhenua. Bryan Haggitt's second wife was a daughter of William Tolmie. Stout's sister married another member of the profession, John MacGregor.

Court sittings were often the venue for niggling and exhibitions of spleen, in full view of the public and press reporters. The worst of these conflicts came to light during the case of Macassey v Bell. This was a libel action brought against the proprietor of the Evening Star for an article which Macassey believed had been written against him by Judge C.D.R. Ward. Barton was engaged by the plaintiff, Macassey, but felt in an anomalous position, acting for "a client with whom I have been for years and still am at personal enmity." He therefore asked Smith to use his influence with the press to make sure he was not identified with the "Macassey

1 ODT, 20 May 1874.
clique". There was no love lost between Smith and Macassey. Ritchie reported that they had been "begging away" at one another; "it is most disreputable."  

After the case had been heard, Ward made allegations that the presiding Judge, H.S. Chapman, had shown gross favouritism to his son's partner, Macassey. These charges became the subject of inquiry by a committee of both Houses of Parliament. A lengthy correspondence was conducted in the press by Smith and Macassey over aspects of the case. Smith accused Macassey of hiring spies to "dog the footsteps of Judge Ward in his private life." He and Robert Gillies came to blows behind the Criterion Hotel when one of Smith's letters was refused publication by the Otago Daily Times, of which Gillies was a director. Smith called Gillies a blackguard and Gillies punched his face until the words were retracted. At length, Macassey v Bell was decided in favour of the defendants. The disclosures it had caused did great injury to the respectability of the profession.

Another serious row erupted a few years later. John Bathgate's appointment to the Bench was manifestly a political act. Many questioned his fitness for the position, and his partiality towards his relatives and friends at the bar was profoundly irritating to other lawyers. In 1878, John Hyde Harris lost his composure when Judge Bathgate completed the plaintiff's weak case by asking questions which his son, Alexander Bathgate, had neglected to put to a witness. The Otago Daily Times wrote of a general feeling among lawyers:

... that those members of the bar who are connected with the presiding magistrate by the ties of kinship possess the ear of the court, and that, in plain language, it is very little use employing anyone in that court unless he is one of the favoured few.

The Law Society considered the paper's comments, but could not condemn them as being wholly without foundation.

The poison of professional jealousy even tainted relations between partners. The most public illustration of this occurred towards the end of the 1880s after the

1 ODT, 22 May 1874.
2 Ritchie to Roberts, 21 June 1875, Roberts Papers.
3 M. Cullen, Lawfully Occupied, pp. 33-35.
4 Bruce Herald, 25 May 1875. New Zealand Times, 26 June 1875.
5 Morning Herald, 21 December 1878. M. Cullen, Lawfully Occupied, p. 38.
6 Morning Herald, 21 December 1878. See also Otago Guardian, 11 April 1874.
7 ODT, 24 June 1878.
8 New Zealand Jurist, 1878, p. 63.
breakup of Sievwright & Stout. Sievwright had become resentful of the fact that Stout had drawn £8,000 out of the partnership while contributing little or nothing to its earnings during his time in politics. He was furious at Stout's "mean and vindictive attempt to rob me of a living" - Stout having sent a circular to every client of the old firm to solicit their business. It was well known around the town that the partners had ceased speaking to each other.¹

¹ Sievwright to Stout, 23 January; 1 February; 4 and 5 March 1888, Sievwright Private Letterbook, Sievwright James Nichol Stark Papers. Dunedin Manager's Private Memo Book, National Bank Archives.
APPENDIX 24

RUNHOLDERS OR FORMER RUNHOLDERS WHO BECAME INSOLVENT OR BANKRUPT IN THE 1860s AND EARLY 1870s

1 Atkinson, E.B.

Atkinson lost his run through foreclosure in 1870.1

2 Baldwin, William

Baldwin was in "embarrassed circumstances" in 1869.2

3 Black, Charles Frederick and William

C.F. Black was declared bankrupt in 1871, and William Black in 1865.3

4 Chalmers, Gerrit A.

Chalmers' bankruptcy was announced in 1866.4 With his brother and a man called M'Haffie, he started sheepfarming with a capital of £6,000, and borrowed money from W.J.T. Clarke at a high rate of interest.5

5 Champion, E. Percy

Champion appears to have lost his run by foreclosure in 1868.6

---

1 R. Pinney, *Northern Otago Runs*, p. 64.
2 NZL MACo Minutes, 18 August 1869.
3 Otago Witness, 4 March 1865. ODT, 14 July 1866.
4 ODT, 7 July 1866.
5 New Zealand Sun, 16 November 1868.
6 Clapcott, Henry

Henry Clapcott had become insolvent by 1868.\(^1\) This makes it likely that Bunter Clapcott was also in difficulties, for he owed Henry Clapcott £10,000 in 1864.\(^2\)

7 Dansey, William Heywood

Dansey filed for bankruptcy in 1865.\(^3\)

8 Driver, Henry

Driver was declared bankrupt in 1871.\(^4\)

9 Ehrenfried, Louis

Ehrenfried, of Hyde Home, was bankrupt in 1866.\(^5\) He later became a successful brewer in Auckland.

10 Ferens, Thomas

Deeds held in the Dunedin Lands and Deeds Registry reveal that Ferens was mortgaged to James A. Douglas for £2,000 in 1866. A second mortgage to Charles Nichols for £8,750 was registered in 1870 and Ferens was bankrupt by 1871.\(^6\)

11 Filleul, William Gabriel

Filleul’s insolvency is recorded in a deed of assignment dated 29 April 1869 held at the Dunedin High Court.

---

\(^1\) Deeds 21/842.

\(^2\) Deeds 9/1098.

\(^3\) Deed of Assignment, 10 February 1865, Dunedin High Court.

\(^4\) ODT, 9 August 1871.

\(^5\) Otago Gazette, 1866, p. 52.

\(^6\) Memorandum of Agreement, 13 December 1871, between Thomas Culling and Dalgety Rattray & Co. MS Papers 311, Alexander Turnbull Library.
12    **Grant, Alexander**

Grant, the partner of MacDonald brothers in Waikaia station, had become insolvent by 1872.¹

13    **Holt, F.S.B.**

Holt appears to have lost his run through foreclosure in 1871.²

14    **Hopkinson, Charles**

Hopkinson, of Moeraki, was declared bankrupt in 1865.³

15    **Jones, Frederick**

Jones’s insolvency was recorded in a deed of assignment dated 2 August 1870.⁴

16    **Julius, E.A. and R.**

The Julius brothers, of Rugged Rigges, were declared bankrupt in 1871.⁵

17    **Maclean, John**

MacLean was declared bankrupt in 1871.⁶

18    **Maitland, George Gammie**

Maitland appears to have lost his run through foreclosure in 1870.⁷

---

¹ Stock Mortgage 305, 27 January 1872, Hocken Library.
² P. Chandler, Glenaray, p. 112.
³ Otago Witness, 27 May 1865.
⁴ Deed of Assignment 147, Dunedin High Court.
⁵ ODT, 12 August 1871.
⁶ ODT, 9 August 1871.
⁷ Deeds 31/401.
19 Mieville, Frederick Louis

Mieville's bankruptcy was announced in 1866.¹ Mieville, the son of a London sharebroker, was one of the pioneer runholders on the Mataura. He married Fanny Stokes Richardson, daughter of Dr Richardson of Oaklands station. Mieville was in business as an ironmonger at the time of his bankruptcy.

20 Neilson, T.E.

Neilson filed for bankruptcy in 1870.²

21 Oliver, Adolphus Alexander

Oliver's insolvency was declared in 1867.³

22 Orbell, F.A.

Orbell was declared bankrupt in 1866.⁴

23 Phillips, Henry

After leaving his Maniototo run, Phillips became a gardener on Loughnan's Mount Pisa station. J.G. Bremner, who encountered him there in 1874, recorded that Phillips was anxious that his identity should not be revealed.⁵

24 Reynolds, Thomas

Thomas Reynolds did not file for bankruptcy, but it is likely that he retired from runholding because of his large debts.⁶

---

¹ ODT, 15 September 1866.
² Bankruptcy File 97, Dunedin High Court.
³ Deeds 21/613.
⁴ Otago Gazette, 1866, p. 177.
⁶ Deeds 15/272, 24/170.
25 **Roberts, W.H.S.**

Roberts was obliged to transfer Ardmore station to his mortgagees, Cargills & McLean, in 1871.\(^1\) He was declared bankrupt in 1890.

26 **Robison, Harrie Carr**

Robison was made bankrupt in 1871.\(^2\)

27 **Russell, James Ure**

Russell, of Mavora station, was made bankrupt in 1868.\(^3\) He was formerly a merchant and shipowner of Melbourne.\(^4\)

28 **Schlotel, Edmund**

Schlotel's bankruptcy was announced in 1871.\(^5\)

29 **Spooner, Gerard**

Spooner was bankrupt in 1865.\(^6\)

30 **Stuart, Robert**

Stuart's insolvency in 1869 is noted in Deed 33/861.

31 **Suisted, F.S.**

Suisted's insolvency was recorded in 1866.\(^7\)

---

\(^1\) CT 1/69-73.
\(^2\) ODT, 2 May 1871.
\(^3\) ODT, 7 January 1868.
\(^4\) AIBR, 15 October 1887.
\(^5\) ODT, 6 May 1870.
\(^6\) Otago Gazette, 1865, p. 122.
\(^7\) Deed of Assignment, 14 August 1866, Dunedin High Court.
32  **Teschemaker**, Charles de Vere

Teschemaker's bankruptcy was announced in 1865.¹

33  **Treweek**, John

John McLean introduced Treweek, the former owner of Bellamy station, as a man who had become penniless through no fault of his own.²

34  **Wayne**, Robert Sewallis

Wayne, of Stoneburn, was declared insolvent in 1866.³

---

¹ *Otago Witness*, 27 May 1865. For further details of Teschemaker's position at this time, see *Dalgety v Driver*, *ODT*, 14 July 1866.

² John Hyde Harris to McLean, 13 August 1870, McLean Papers, Alexander Turnbull Library.

³ *Otago Gazette*, 1866, p. 206.
APPENDIX 25

CLUB MEMBERS INSOLVENT OR BANKRUPT BY 1871

1 Baldwin, William (In "embarrassed circumstances", NZLMA Co Minutes, 18 August 1869; see Appendix 10.)

2 Black, C.F. (ODT, 3 June 1870.)

3 Carrick, Alexander (ODT, 28 June 1870.)

4 Clapcott, Henry (Deeds, 21/842; and probably his brother, Deeds 9/1098.)

5 Dansey, William Heywood (Deed of Assignment, 10 February 1865, Dunedin High Court.)

6 Driver, Henry (ODT, 9 August 1871.)

7 Forman, R.H. (Oamaru Times, 15 February 1866.)

8 Hyde Harris, John (President of the Club. Deeds 35/871.)

9 Jones, Frederick (Deed of Assignment 147, 2 August 1870, Dunedin High Court.)

10 McGlashan, Edward (Larnach v Bird, ODT, 14 June 1871. Deed of Assignment: 112, 7 March 1870, Dunedin High Court.)

11 Maclean, John (ODT, 9 August 1871.)

12 Martin, R.B. (ODT, 30 May 1870.)

13 Mudie, J.B. (New Zealand Sun, 17 February 1869.)

14 Orbell, F.A (Otago Gazette, 1866, p. 177.)
15 **Phillips, Henry**¹

16 **Pyke, Vincent** (*ODT*, 14 July 1866.)

17 **Reynolds, W.H.** (Reputedly in financial difficulties, see Volume One.)

18 **Teschemaker, Charles de Vere** (*Otago Witness*, 27 May 1865.)

19 **Tickle, W.W.** (Deed of Assignment 128, 1865, Dunedin High Court.)

The ignominy of Hyde Harris's fall was accentuated in the public eye by some of his well-known idiosyncrasies. Harris claimed descent from the aristocratic family of Clarendon and pride in his ancestry was instilled in him from an early age. His desire to push forward the names of his great forebears is said to have been "a great vanity on his part." Although a sociable man who "loved a joke, a song and his toddy", Harris was extremely sensitive to any perceived slurs on his character. "That he was touchy to a degree", wrote James McIndoe, "was sometimes painfully evident". McIndoe could well testify to the brittleness of Hyde Harris's temperament. Late one night after returning exhausted from the goldfields, he fell asleep in his chair while Harris was interrogating him about the latest up-country developments. Harris believed himself grossly insulted by this inadvertent rudeness and was in high dudgeon for some time afterwards. This aspect of his make-up must have made the public humiliation of his insolvency all the more bitter.

Harris was a lawyer by profession, though by 1860 he did little business apart from his own and had set up office in his home. It was by land speculations that he hoped to achieve a prosperity befitting his distinguished lineage. These paid handsomely for a while and Harris was able to live the life of a gentleman, entertaining on a splendid scale and keeping his bed till late in the morning. They also provided another opportunity to glorify his ancestors. He dubbed his Taieri township "Clarendon" and bestowed the name of "Hyde" on a village near his pastoral run. The Dunedin streets of Hyde, Grosvenor, Clarendon and Grange owe their names to him, and Kensington was one of his city subdivisions.

1 Clippings from *The Otago Workman*, p. 65, James McIndoe Papers, OESM.
2 Clippings from *The Otago Workman*, p. 65, James McIndoe Papers, OESM.
3 Clippings from *The Otago Workman*, p. 65, James McIndoe Papers, OESM.
4 Clippings from *The Otago Workman*, p. 65, James McIndoe Papers, OESM.
5 Thomas Muir, Notes on the Legal Profession in 1860, OESM.
6 Clippings from *The Otago Workman*, p. 65, James McIndoe Papers, OESM.
7 James "Money" Allan, who is referred to in Volume One as owning a similarly large area of Dunedin at the same time as Harris, was the father of James Allen, MHR. At the time of his death in a lunatic asylum in 1865, he owned roughly 150 town sections and 3,856 acres of rural land. His personal property was valued at £11,650. (Deeds 20/463, Probate File 103, Dunedin High Court.)
also had pastoral interests and, with Edward Lee, ran 9,000 sheep at West Taieri in 1865. Lee's contribution to the partnership might not have been very great as he is recorded as owing Hyde Harris the sum of £9,804.1

Harris was not compelled to file a deed of arrangement until 1868.2 His main creditors appear to have been the Otago & Southland Investment Company, the liquidators of the New Zealand Banking Corporation and Driver & Maclean. He was released from the deed four years later, by which time most of his valuable estate on the Taieri had been transferred as well as the bulk of his town lands. He retained the township of Clarendon, which he sold to E.B. Cargill for £963 the next year, and a thousand acres of his Lake Waihola property, which he tried to part with in 1880.3

The impulse to speculate was still powerful in Harris, despite the lessons of the 1860s. In 1874 he arranged to buy the twenty-five roomed Fernhill residence which John Jones had built for his daughter at a cost of £7,750. Harris transferred the house to the Dunedin Club, but kept some of the surrounding land and hoped to make £4,000 by selling it off.4 He used these sections as part security for a loan of £3,133 from the New Zealand Loan & Mercantile Agency Company. While in California on his way home from a journey to England in 1877, he arranged the purchase of 600,000 feet of Oregon timber at a cost of £4,500. "I ought to make a fair profit on it", he told his mother.5 In 1882, his freeholds, including land in the Bay of Islands, received a government valuation of £8,000.

Harris became Mayor of Dunedin and joined the Stafford Government in 1867, but his public career ended in 1868. He remained, nevertheless, a figure of local renown. A short, sturdy man with bow legs, he was a familiar sight around Dunedin.6 Following the demise of his fortunes in the 1860s, his life seems to have been less happy and certainly more austere than before. He was troubled by gout and feared he was losing his sight.7 His fine house, "The Grange", was destroyed by fire in 1876. His first wife died in 1881 and he made preparations to remarry within a year.8 He was obliged to put more time into his legal practice and play

---

1 Deeds 16/92. Lee was perhaps the first man to apply for a pastoral lease within the Otago Block. CO 208/97, p. 185, Edward Lee to William Cargill, 30 January 1849.
2 Deeds 35/871.
3 Deeds 35/871. ODT, 2 April 1880.
4 Harris to his mother, 29 August 1874, 23 December 1874, Hyde Harris Papers.
5 Harris to his mother, 2 February 1877, Hyde Harris Papers.
6 Thomas Muir, Notes on the Legal Profession in 1860s, OESM.
7 Harris to his mother, 15 March 1876, Hyde Harris Papers.
the part of a jobbing lawyer. Embezzlements by one of his staff cost him £3,000.\textsuperscript{1} In a case in 1885 he admitted in evidence that his income was a modest £280 a year.\textsuperscript{2} He was forced to sell his furniture and art works in 1882 and what remained of his household goods was mortgaged to the Jewish money-lenders, Lyons & Hart, for an advance of £100.\textsuperscript{3} His son, John Edward Hyde Harris, became bankrupt in 1881 and Harris himself suffered the indignity of being imprisoned for a debt he had assumed on behalf of the Freemasons in 1885.\textsuperscript{4} He died the next year.

\textsuperscript{1} Harris to his mother, 8 March 1877, Hyde Harris Papers.
\textsuperscript{2} ODT, 28 January 1885.
\textsuperscript{3} Mercantile Gazette, 23 February 1884. "Catalogue of Effects to be Auctioned on behalf of John Hyde Harris", Chapman Pamphlets 46, Hocken Library.
\textsuperscript{4} Mercantile Gazette, 25 June 1881. ODT, 6 April, 28, 29 January 1885.
APPENDIX 27

DIRECTORS OF COMPANIES WITH A NOMINAL CAPITAL OF £50,000 OR MORE

(Directors of fewer than four companies have been excluded.)

Cargill


Driver


Graham


Gregg


Larnach

Neill


Oliver


Prosser


Reynolds


Sievwright


Wilson

APPENDIX 28

DIRECTORS AND PROVISIONAL DIRECTORS OF COMPANIES IN OTAGO
(Member of the "inner circle" and holders of eight or more directorates)

D = DIRECTOR
P = PROVISIONAL DIRECTOR
M = MEMBER
T = TRUSTEE

E.B. Cargill

D - Otago Steam Ship Company
P - Dunedin Water Works Company
P - Otago Meat Preserving Company
P - Land Building & Investment Society
P - Ocean Beach Railway Company
D - Union Steam Ship Company
D - Walton Park Brick & Tile Company
D - Walton Park Coal and Pottery Company
P - Equitable Insurance Company
D - Dunedin Forbury and Peninsula Railway
D - National Insurance Company
D - Colonial Bank
D - New Zealand Refrigerating Company
D - Dunedin City & Suburban Tramways Company
P - Southern Hotel Company
D - Trustees Executors & Agency Company
D - Mosgiel Woollen Factory Company
P - Dunedin Land Building Investment Company
M - Local Committee of Otago & Southland Investment Company
P - Waitahuna Copper Mining Company
D - Otago Whaling Company
D - Westport Coal Company
Larnach

D - ODT & Witness Company
P - Forbury Park Land Company
P - Turkish Bath Company
P - Dunedin, Peninsula & Ocean Beach Railway Company
D - Westport Coal Company
D - Dunedin Forbury and Peninsula Railway Company
P - Accident Insurance Association
D - National Insurance Company
D - New Zealand Refrigerating Company
D - Colonial Bank
D - Dunedin City & Suburban Tramways Company
P - Union Steam Ship Company
P - Milton Pottery Company
D - Albion Coal Company
D - Waimea Plains Railway Company
M - Local Committee, Otago & Southland Investment Company
P - Otago Dairy Association
P - Australia & New Zealand Steam Shipping Company
D - Guthrie & Larnach New Zealand Woodware Company

Wilson, Robert

P - Guardian Printing Company
D - Greymouth Wallsend Coal Company
P - Accident Insurance Association
D - National Insurance Company
D - Colonial Bank
D - NZ Refrigerating Company
P - Otago Paper Makers Company
P - Southern Hotel Company
P - Milton Pottery Company
P - Kaikorai Wollen Factory Company
D - Dunedin Finance Loan & Agency Company
D - Fidelity Accident & Guarantee Association
P - New Zealand Hardware Company
D - Wakatipu Steam Navigation Company
P - New Zealand Pottery & Glass Company
P - Waitahuna Copper Mining Company
P - East Coast Native Land & Settlement Company
P - Otago Dairy Association
D - Otago Whaling Company

Reynolds

D - Dunedin Water Works Company
P - New Zealand Deep Sea Fishing Company
D - Greymouth Wallsend Coal Company
D - Equitable Investment Company
D - Colonial Bank
D - Westport Coal Company
D - Perpetual Trustees Company
P - Mosgiel Woollen Factory Company
D - Fidelity Accident & Guarantee Company
M - Local Committee of Otago & Southland Investment Company
D - Otago Daily Times & Witness Company
P - Waitahuna Copper Mining Company
M - Dunedin Board of Mutual Assurance Society of Victoria
P - East Coast Native Land & Settlement Company
P - New Zealand Land and Loan Company
D - Local Board of New Zealand Agricultural Company

Hazlett

P - Momington Tramway Company
D - Dunedin Forbury & Peninsula Rwy
P - Equitable Insurance
P - Otago Meat Freezing Company
D - Perpetual Trustees Company
P - Kaikorai Woollen Mill Company
P - Carrick Range Water Supply Company
P - Pottery & Glass Company
P - Otago Dairy Association
D - Albion Soap & Candle Company
P - Equitable Investment Company
P - Colonial Bank

**Turnbull**

P - Dunedin Water Works Company
P - Dunedin Land Building & Investment Society
D - Equitable Investment Company
D - Dunedin, Forbury & Peninsula Railway Company
P - Waipori Quartz Mining Company
P - New Zealand Sugar Company
P - Dunedin Land Building Investment Company
D - Albion Coal Company
P - New Zealand Haematite Paint Company
P - Dunedin Steam Shipping Company
T - Commercial Building & Mutual Investment Society
P - New Shotover Terrace Mining & Sluicing Company 1877

**Proudfoot**

D - Forbury Park Land Company
D - Dunedin City & Suburban Tramways Company
P - Otago Paper Makers Company
D - Albion Coal Company
P - New Zealand Hermetite Paint Company
P - Waitahuna Copper Mining Company
P - East Coast Native Land & Settlement Company
P - Ocean Beach Railway Company
P - Albion Brewing & Malting Company
P - New Shotover Terrace Mining & Sluicing Company
D - Westport Colliery Company
Appendix 28

Mitchell, John

P - Dunedin Land Building Investment Company
P - Guardian Printing Company
P - Waipori Quartz Mine Company
P - Otago Paper Makers Company
P - Waimea Plains Railway Company
P - Fidelity Accident & Guarantee Company
P - New Zealand Haematite Paint Company
P - New Zealand Pottery & Glass Company
P - Waitahuna Copper Mining Company
P - Shag Valley Quartz Mining Company

Driver

P - Southern Steam Navigation Company
P - Forbury Park Land Company
P - Guardian Printing Company
P - Accident Insurance Association
P - New Zealand Railway Waggon Company
D - National Insurance Company
D - Waimea Plains Railway Company
D - Mutual Agency Company
P - James MacFie & Co

Oliver

D - New Zealand Hardware Company
D - Westport Coal Company
D - Westport Colliery Company
D - National Insurance Company
D - Colonial Bank
D - Waimea Plains Railway Company
D - Fidelity Accident & Guarantee Company
P - ODT & Witness Company
P - Dunedin Steam Shipping Company
Appendix 28

Gregg

P - Walton Park Coal & Pottery Company
P - Kaitangata Lake Coal Company
P - Glenledi Estate Company
P - Green Island Coal Company
P - Equitable Insurance Company
P - New Cromwell Mining Company
P - Kaitangata Lake Coal Company
P - Albion Soap & Candle Company
P - Keast & McCarthy Dunedin Brewery

Graham

P - Keast & McCarthy Dunedin Brewery Company
P - Walton Park Coal & Pottery Company
P - Dunedin Masonic Hall Association
P - New Zealand Hardware Company
P - Accident Insurance Association
D - Trustees Executors & Agency Company of New Zealand
P - New Zealand Railway Waggon Company
P - New Shotover Terrace Mining & Sluicing Company

Ritchie

D - National Insurance
D - Colonial Bank
D - Union Steam Ship Company
D - Trustees Executors & Agency Company
M - Dunedin Board of Mutual Assurance Society of Victoria
T - Commercial Building & Mutual Investment Society
P - New Zealand Sugar Company
Roberts

D - Colonial Bank
D - New Zealand Refrigerating Company
D - Trustees Executors & Agency Company
D - Mosgiel Woollen Factory Company
D - New Zealand Hardware Company
M - Dunedin Board of Mutual Assurance Society of Victoria
P - Colonial Co-Operative & Agency Company

Mills

P - Guardian Printing Company
D - Union Steam Ship Company
P - New Zealand Railway Waggon Company
D - National Insurance Company
D - Westport Coal Company
D - Trustees Executors & Agency Company
P - Waimea Plains Railway Company

Neill

D - Union Steam Ship Company
D - New Zealand Railway Waggon Company
D - Trustees Executors & Agency Company
D - Neill & Co
D - Westport Coal Company
D - Colonial Bank
D - National Insurance Company

Russell

P - Southern Steam Navigation Company
D - Dunedin, Forbury & Peninsula Railway Company
P - New Zealand Railway Waggon Company
Appendix 28

D - National Insurance Company
D - New Zealand Refrigerating Company
D - Westport Coal Company

Holmes, Mathew

P - Ocean Beach Railway Company
D - Colonial Bank
P - Mosgiel Woollen Factory Company
P - Waimea Plains Railway Company

Rattray
D - Colonial Bank
D - Findlay & Co
P - New Zealand Refrigerating Company
D - Local Board of the National Bank

McLean, George

D - Colonial Bank
D - Union Steamship Company
D - New Zealand Hardware Company

Tolmie

P - Otago Meat Preserving Company
P - Ocean Beach Railway Company
D - Colonial Bank

Nichols

P - Otago Meat Preserving Company
### APPENDIX 29

**DIRECTORS OF THE COLONIAL BANK, NATIONAL INSURANCE COMPANY, UNION STEAM SHIP COMPANY AND WESTPORT COAL COMPANY**

<table>
<thead>
<tr>
<th></th>
<th>Col Bk</th>
<th>Natl Insce</th>
<th>USSC</th>
<th>WCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargill, E.B.</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td>D</td>
</tr>
<tr>
<td>Larnach</td>
<td>D</td>
<td>D</td>
<td>PD</td>
<td>D</td>
</tr>
<tr>
<td>MacNeil, Hugh</td>
<td>D</td>
<td></td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>McLean, George</td>
<td>D</td>
<td></td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Mills, James</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Morris, A.W.</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Neill, P.C.</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Oliver, Richard</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Ritchie, J.M.</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Russell, G.G.</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Wilson, Robert</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

(Directors of only one company have been excluded.)

PD = Provisional Director in the first attempt to float the Union Steam Ship Company.
<table>
<thead>
<tr>
<th>Year</th>
<th>1873</th>
<th>1874</th>
<th>1875</th>
<th>1876</th>
<th>1877</th>
<th>1878</th>
<th>1879</th>
<th>1880</th>
<th>1881</th>
<th>1882</th>
<th>1883</th>
<th>1884</th>
<th>1885</th>
<th>1886</th>
<th>1887</th>
<th>1888</th>
<th>1889</th>
<th>1890</th>
</tr>
</thead>
<tbody>
<tr>
<td>R. Wilson</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>W. Larnach</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J.M. Ritchie</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>K. Ramsay</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Glendining</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>R. Oliver</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A. Burt</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E. Prosser</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hallenstein</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>R.A. Low</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J. Marshall</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Kempthorne</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E. Smith</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Butterworth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J. Cargill</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E.B. Cargill</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>H. MacNeil</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>P.C. Neill</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>G.G. Russell</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

**APPENDIX 30 - DIRECTORS OF THE NATIONAL INSURANCE COMPANY: 1873-90**

### APPENDIX 31 - DIRECTORS OF THE COLONIAL BANK: 1875-95

<table>
<thead>
<tr>
<th>Name</th>
<th>1875</th>
<th>1876</th>
<th>1877</th>
<th>1878</th>
<th>1879</th>
<th>1880</th>
<th>1881</th>
<th>1882</th>
<th>1883</th>
<th>1884</th>
<th>1885</th>
<th>1886</th>
<th>1887</th>
<th>1888</th>
<th>1889</th>
<th>1890</th>
<th>1891</th>
<th>1892</th>
<th>1893</th>
<th>1894</th>
<th>1895</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. McLean</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>W. Reynolds</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>W. Larnach</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>R. Oliver</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>P.C. Neill</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A.W. Morris</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J. Rattray</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J.M. Ritchie</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>G.G. Russell</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E.J. Spence</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J.T. Wright</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J. Hislop</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>W.D. Stewart</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>E.B. Cargill</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A.C. Strode</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J. Roberts</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>John Reid</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>D. Reid</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>W.A. Tolmie</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>R. Wilson</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
There was talk of forming a second club in the 1870s, but the Otago Club was not formed until 1888. The Otago Club was founded for the benefit of "professional and commercial gentlemen" and aimed initially for an urban membership. The entry in the Club minute book for 26 November 1888 suggests that rural members were expected to reside within ten miles of the city. The requirements for admission were alluded to on 5 October 1889:

Members were to be professional and commercial gentlemen, the latter of whom were either to be in business on their own account or to be employed in leading positions in their employer's service. These positions were specifically named and comprised accountants in banks, with firms or companies, merchants, managers, clerks and salesmen.

This rule was recited to justify the exclusion of a bank teller. The Otago Club, however, appears to be evidence of a desire to widen the categories of gentleman.

The Club soon ran into financial difficulties. A resolution to wind up the Club was passed in 1894, after the Colonial Bank had demanded immediate payment of the Club's overdraft. This resolution was later rescinded. See the Club minutes for 17, 31 July and 9, 25 October 1894.
Larnach boasted of his benefactions at a political meeting in Portobello in 1887. He had, he claimed, created the first township there; he had given the first half-acre for the first school - the land was then worth £1,000 and was now, he believed, worth £2,000; he gave £100 to assist the construction of the main road; he had given quarter-acre sections to four churches and one masonic lodge; he had given freely in other ways to the churches; he was one of the first members of the Working Men's Club and gave a subscription of one hundred pounds and his personal guarantee for a further £250 to get a building - a guarantee that he was called upon to pay; and he had given £100 to form a sailors' home. Larnach's sale of the township site did not, however, impress one correspondent to the Otago Daily Times:

What is patriotism! What is liberality! What is self sacrifice! What is any of the cardinal virtues compared to this? A man buys land at £20 and deals it out piecemeal to his neighbours at £200 per acre. Why did Mr Larnach not go further and say "Fellow townsmen, the cutting up into sections of the property we now stand upon enabled me to build a castle, at a cost of I hardly know how many thousand pounds, to shelter my body during my life, whilst you, the working classes, were toiling hard 'from morn to nigh', to pay the interest on your mortgaged patches".

---

1 ODT, 24 September 1887.
2 ODT, 23 September 1887.
**APPENDIX 34**

**SELECTION OF VOTERS WHO PLEDGED THEMSELVES TO McMASTER AND RICHARDSON IN THE SUPERINTENDENCY ELECTION OF 1861**


<table>
<thead>
<tr>
<th>Supporters of Major Richardson</th>
<th>Supporters of Alexander McMaster</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Fulton</td>
<td>J.T. Boyd</td>
</tr>
<tr>
<td>George Lloyd</td>
<td>John Healey</td>
</tr>
<tr>
<td>H.C. Robison</td>
<td>Frederick Coxhead</td>
</tr>
<tr>
<td>P. Napier</td>
<td>R. Julius</td>
</tr>
<tr>
<td>Frederick Walker</td>
<td>W. G. Filleul</td>
</tr>
<tr>
<td>F. Fulton</td>
<td>C. Trail</td>
</tr>
<tr>
<td>J.T. Chaplin</td>
<td>W. Fenwick</td>
</tr>
<tr>
<td>J. Rattray</td>
<td>H.C. Robison</td>
</tr>
<tr>
<td>W. Mantell</td>
<td>C.F. Black</td>
</tr>
<tr>
<td>Jas Howorth jr</td>
<td>H. Philips</td>
</tr>
<tr>
<td>F.S. Pillans</td>
<td>M.S. Gleeson</td>
</tr>
<tr>
<td>T. Dick</td>
<td>J.R. Jones</td>
</tr>
<tr>
<td>E. McGlashan</td>
<td>John Orbell</td>
</tr>
<tr>
<td>N.J.B. McGregor</td>
<td>F.A. Orbell</td>
</tr>
<tr>
<td>T.T. Ord</td>
<td>H. Orbell</td>
</tr>
<tr>
<td>W.H. Teschemaker</td>
<td>William Jones</td>
</tr>
<tr>
<td>C.F. Black</td>
<td>Frederick Jones</td>
</tr>
<tr>
<td>W. Black</td>
<td>Joseph Preston</td>
</tr>
<tr>
<td></td>
<td>Edward Saxton</td>
</tr>
<tr>
<td></td>
<td>W.A. Low</td>
</tr>
<tr>
<td></td>
<td>R.S. Cantrell</td>
</tr>
<tr>
<td></td>
<td>E.A. Julius</td>
</tr>
<tr>
<td></td>
<td>J.B. Borton</td>
</tr>
<tr>
<td></td>
<td>W.H. Dansey</td>
</tr>
<tr>
<td></td>
<td>H.A. Julius</td>
</tr>
<tr>
<td></td>
<td>W.M. Seal</td>
</tr>
<tr>
<td></td>
<td>M. Studholme</td>
</tr>
<tr>
<td></td>
<td>Charles Hopkinson</td>
</tr>
<tr>
<td></td>
<td>Herbert Meyer</td>
</tr>
<tr>
<td></td>
<td>A.R.B. Thomson</td>
</tr>
<tr>
<td></td>
<td>Julius Jeffrey</td>
</tr>
<tr>
<td></td>
<td>E.B. Atkinson</td>
</tr>
<tr>
<td></td>
<td>John Jones</td>
</tr>
<tr>
<td></td>
<td>R.B. Martin</td>
</tr>
<tr>
<td></td>
<td>J.S. Webb</td>
</tr>
<tr>
<td></td>
<td>Alexander Carrick</td>
</tr>
<tr>
<td></td>
<td>G. &amp; W. Hepburn</td>
</tr>
<tr>
<td></td>
<td>Jas Allan (East Taieri)</td>
</tr>
<tr>
<td></td>
<td>James Smith</td>
</tr>
<tr>
<td></td>
<td>James Rattray</td>
</tr>
<tr>
<td></td>
<td>James Paterson</td>
</tr>
<tr>
<td></td>
<td>M. Orbell</td>
</tr>
<tr>
<td></td>
<td>W. &amp; J. Murison</td>
</tr>
</tbody>
</table>
APPENDIX 35

THE MAPS OF THE OTAGO GOLDFIELDS IN 1868

The boundaries of the Goldfields have much significance. Runs which are located within the boundaries of a goldfield are subject to the provisions of the Goldfields Act, and not the Waste Lands Act.

The two larger scale maps which follow show the pattern of settlement and communications which had developed by this stage, and the areas which were producing gold.

Main roads
Run numbers eg 199
Run homesteads
Wayside hotels
Existing Goldfields boundaries
Proposed addition to the Goldfields
Areas producing gold

Scale  10  20 kms
GOLDFIELDS OF OTAGO - 1868

On the above map, the AREA ALREADY DESIGNATED AS GOLDFIELDS is enclosed by the CRIMSON coloured boundary.

The PROPOSED EXTENSION TO THE GOLDFIELDS is enclosed by the ORANGE coloured boundary.

On the following two pages, the Eastern and Western section of the Goldfields are shown in larger scale, with areas producing gold indicated in colour.

SOURCE for each of the three maps is the Official Map of the Goldfields - 1868 in the Hocken Library
APPENDIX 36

SUMS EXPENDED ON IMPROVEMENTS TO CERTAIN RUNS: 1867-69

(As a Result of Agreements between the Government and Runholders Under the Waste Lands Act and Goldfields Acts of 1866.)

Source: Evidence supplied to the Commission on Waste Lands Administration in Otago. AIHR, C-1, 1869.

<table>
<thead>
<tr>
<th>Runholder</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook &amp; Graham</td>
<td>£1,000</td>
</tr>
<tr>
<td>James C. Smith</td>
<td>£10,000</td>
</tr>
<tr>
<td>H.C. Robison</td>
<td>£1,000</td>
</tr>
<tr>
<td>Robert Stuart</td>
<td>£2,000</td>
</tr>
<tr>
<td>William Sanders</td>
<td>above £2,000</td>
</tr>
<tr>
<td>W.H.S. Roberts</td>
<td>above £1,000</td>
</tr>
<tr>
<td>H.S. &amp; C.W. Chapman</td>
<td>£2,200</td>
</tr>
<tr>
<td>McMaster &amp; Teschemaker</td>
<td>£1,000</td>
</tr>
<tr>
<td>F.W. MacKenzie</td>
<td>£700 (would have been more if had confidence in the Provincial Government)</td>
</tr>
<tr>
<td>D.F. Main</td>
<td>£6,000</td>
</tr>
<tr>
<td>G.G. Maitland</td>
<td>£1,800</td>
</tr>
<tr>
<td>James Brugh</td>
<td>£200 (more if had confidence in the Government)</td>
</tr>
<tr>
<td>Alexander McNab</td>
<td>above £1,500</td>
</tr>
<tr>
<td>Campbell &amp; Low</td>
<td>£3,000</td>
</tr>
<tr>
<td>T.T. Ord</td>
<td>Outlay on stock &amp; fencing</td>
</tr>
<tr>
<td>John Healey</td>
<td>£1,200</td>
</tr>
<tr>
<td>Dr Buchanan</td>
<td>£2340</td>
</tr>
<tr>
<td>Calcutt &amp; Menlove</td>
<td>£3,000</td>
</tr>
<tr>
<td>Cable &amp; Drummond</td>
<td>£3,500</td>
</tr>
<tr>
<td>McKellar &amp; Jackson</td>
<td>£2,900</td>
</tr>
<tr>
<td>W.T. Cumine</td>
<td>£140</td>
</tr>
<tr>
<td>F.D. Bell</td>
<td>above £3,000</td>
</tr>
<tr>
<td>Thomas Trumble</td>
<td>£1,500</td>
</tr>
<tr>
<td>D. Maitland</td>
<td>£14,000</td>
</tr>
<tr>
<td>James Logan</td>
<td>£2,444</td>
</tr>
<tr>
<td>W.P. Gordon</td>
<td>£500</td>
</tr>
<tr>
<td>NZ &amp; A Land Company</td>
<td>£8,500</td>
</tr>
<tr>
<td>R.A. Loughnan</td>
<td>£6,000</td>
</tr>
</tbody>
</table>
APPENDIX 37

SELECTION OF VOTERS WHO PLEDGED THEMSELVES TO THOMAS DICK IN THE SUPERINTENDENCY ELECTION OF 1867

Source: ODT, 11 February 1867.

<table>
<thead>
<tr>
<th>Hyde Harris</th>
<th>William Hepburn</th>
<th>George Hepburn</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Jones</td>
<td>John T. Wright</td>
<td>Thomas Mayer</td>
</tr>
<tr>
<td>James Mills</td>
<td>Hugh Fraser</td>
<td>Robert Glendining</td>
</tr>
<tr>
<td>John Barr</td>
<td>David Forsyth</td>
<td>John Reid (Stafford St)</td>
</tr>
<tr>
<td>John W. Jago</td>
<td>James Prendergast</td>
<td>George Brodie</td>
</tr>
<tr>
<td>J. Aitken Connell</td>
<td>A.W. Morris</td>
<td>Simeon Isaacs</td>
</tr>
<tr>
<td>John Bathgate</td>
<td>G.S. Brodrick</td>
<td>F.D. Bell</td>
</tr>
<tr>
<td>E.B. Cargill</td>
<td>F. Pantlin</td>
<td>J.S. Webb</td>
</tr>
<tr>
<td>Heymanson Low &amp; Co</td>
<td>Pierce Power</td>
<td>F.W. MacKenzie</td>
</tr>
<tr>
<td>George McLean</td>
<td>Robert Gillies</td>
<td>J.H. Saunders</td>
</tr>
<tr>
<td>John H. Barr</td>
<td>William Greig</td>
<td>F.S. Pillans</td>
</tr>
<tr>
<td>James Hogg</td>
<td>E.P. Kenyon</td>
<td>James MacKerras</td>
</tr>
<tr>
<td>James Rattray</td>
<td>H.D. Maddock</td>
<td>G.F. Reid</td>
</tr>
<tr>
<td>James Whitelaw</td>
<td>[B. &amp; H.] Robison</td>
<td>W. Gordon Glassford</td>
</tr>
<tr>
<td>James Hutton</td>
<td>R.S. Cantrell</td>
<td>W. Murison</td>
</tr>
<tr>
<td>John Thomson</td>
<td>J. Copeland</td>
<td>W. Isaac</td>
</tr>
<tr>
<td>William Purdie MD</td>
<td>A. Eccles</td>
<td>A. Mollison</td>
</tr>
<tr>
<td>Thomas Burns DD</td>
<td>W.M. Hodgkins</td>
<td>R. Murray</td>
</tr>
<tr>
<td>Edward McGlashan</td>
<td>H. Howorth</td>
<td>R. Hay</td>
</tr>
<tr>
<td>Edmund Smith</td>
<td>John Mouat</td>
<td>Capt Baldwin</td>
</tr>
<tr>
<td>W.H. Reynolds¹</td>
<td>Julius Vogel</td>
<td>W.H. Ostler</td>
</tr>
<tr>
<td>Watson Shennan</td>
<td>William Mason (Mayor)</td>
<td>T.M. Hocken</td>
</tr>
<tr>
<td>H.J. Miller</td>
<td>Charles Reid</td>
<td>H.F. Hardy</td>
</tr>
<tr>
<td>George Cook</td>
<td>Thomas Brown</td>
<td>John McGregor</td>
</tr>
<tr>
<td>Richard Oliver</td>
<td>Martin Sholl</td>
<td>C.H. Street</td>
</tr>
<tr>
<td>Thomas Ulph</td>
<td>John Reid (Manse St)</td>
<td>F.J. Moss</td>
</tr>
<tr>
<td>William Oram Bell</td>
<td>Robert Glendining</td>
<td>R.A. Lawson</td>
</tr>
<tr>
<td>H. Bastings</td>
<td>William Black</td>
<td>John McLean</td>
</tr>
<tr>
<td>Henry France</td>
<td>Charles Ziel[e]</td>
<td>M.S. Gleeson</td>
</tr>
<tr>
<td>James P. Maitland</td>
<td>W.G. Rees</td>
<td></td>
</tr>
</tbody>
</table>

¹ Reynolds was Macandrew's brother-in-law.
The goldfields members, reinforced by radicals from Victoria such as Barton, contributed much to the character of Otago politics in this period. They constituted a voting block in the Provincial Council that had little in common with the representatives of the business community. As suggested in Volume One, their solidarity with the other major grouping, the agricultural members, was an impermanent feature of the political environment of the 1870s. The biographical information which is set out below helps to explain why these men were so ill-disposed towards the runholders and their business allies, and yet temperamentally unsuited to a stable alliance with Reid and his followers. (A number of other public figures from the goldfields have been included: Colin Campbell McIntyre, Wilson Gray and Vincent Pyke.)

Our understanding of politics on the goldfields is necessarily shaped by the newspapers of this region, which form perhaps the major source. This is another reason for paying close attention to the political leaders of the time, for a number of them were closely involved with the press. Brodie began his career in Otago as the goldfields correspondent of the ODT and subsequently founded the Dunstan News and the Dunstan Times.1 Pyke is said to have owned the Dunedin Punch for a period. He established the Southern Mercury as a mining journal and became the editor of the Morning Herald in 1882. Baldwin was also involved in the Southern Mercury and bought the New Zealand Times in 1890.2 De Latour had a long association with the Mount Ida Chronicle. Bradshaw was correspondent for the Daily Telegraph and the Evening Mail and edited the Lake Wakatip Mail for its first nine months until he fell out with the proprietors. His place was filled by Haughton, who was succeeded by Henry Manders.3 Haughton was named as a potential buyer of the Guardian in 1875. He was rumoured to be starting a Punch in Wellington in 1870 and wrote for the Evening Star from that year onwards.4 He is also said to have written for the Tuapeka Times and the ODT.5 Shepherd

2 AIBR, 16 July 1890.
3 ODT, 6 May 1874.
4 Southland Daily News, 28 May 1870.
5 Dunstan Times, 5 May 1871. Mount Ida Chronicle, 29 April 1876.
contributed articles to the Lake Wakatip Mail and the Evening Mail. Robert Clarke was goldfields correspondent for the ODT for many years. Duncan McKellar was briefly the owner of the Cromwell Argus in the 1870s.1

A number of these men were also Freemasons, although it is hard to know what significance, if any, can be attached to this. Pyke and Bastings attained high office in the brotherhood and Armstrong was a founding member of Lodge Dunedin. Brown, Hughes, Isaacs, Shepherd, Hallenstein, Mouat, Robertson and Barton are mentioned in the various histories of freemasonry in Otago, and Brodie was at least a shareholder in a masonic lodge company. Richard Oliver, who once represented Mount Ida, was also a Freemason.

A breakdown of the nationalities of Provincial Councillors from the goldfields reveals that most were born in Great Britain:

<table>
<thead>
<tr>
<th>England</th>
<th>Ireland</th>
<th>Scotland</th>
<th>Elsewhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bastings</td>
<td>Baldwin</td>
<td>Brodie</td>
<td>Hallenstein</td>
</tr>
<tr>
<td>Brown</td>
<td>Hazlett</td>
<td>McPherson</td>
<td>Robertson</td>
</tr>
<tr>
<td>Bradshaw</td>
<td>Manders</td>
<td>Innes</td>
<td>Haughton</td>
</tr>
<tr>
<td>Shepherd</td>
<td>Armstrong</td>
<td>Mouat</td>
<td>Fraser</td>
</tr>
<tr>
<td>Clarke</td>
<td>Ireland</td>
<td>McKellar</td>
<td></td>
</tr>
<tr>
<td>Browne</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>de Latour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oliver</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Haughton was born in Australia, Fraser in India, Robertson in New Brunswick and Hallenstein in Germany. It has not been possible to identify the birthplaces of Isaacs, Hughes, Mervyn or Maddock. Most of these men were members of the goldfields community - i.e. miners, storekeepers, merchants, mining agents, newspaper men, publicans. There were some exceptions to this pattern. Baldwir, a runholder, was elected at a time when he was disposed to pass himself off as a miner. Another runholder, William Fraser, seemed to enjoy considerable popularity in the township of Clyde, but was defeated in 1871 when a neighbouring runholder, for no apparent reason, compelled some miners to shift

1 ODT, 18 May 1875.
their huts and impounded their stock.1 (His uncle, Captain Thomas Fraser, was a man of liberal tendencies who supported the deferred payments legislation in the Legislative Council.) D.F. Main and H.D. Maddock seem to have acquired their seats when some of the up-country electorates were very small and dominated by runholders. Maddock, who had come to Otago from Victoria, was requisitioned by five runholders: F.W. MacKenzie, G.A. Chalmers, W.H.S. Roberts and A.D. Inverarity. The election was held on MacKenzie's station and was attended by very few people.2

Two Jews, Isaacs and Hallenstein, were elected to the Council. A third, Julius Vogel, represented the goldfields in the House of Representatives. A number of political figures in Otago had already gained political experience in Australia. Prominent in this category were Gray, Pyke, Barton, Brodie, Vogel, McIntyre, Chapman and Eastings. A number of representatives in the Council, not of goldfields constituencies, had experience of the Australian goldfields. Included in this group were Driver, J.L. Gillies, Andrew Kinross, George Lumsden, H.S. Fish, C.S. Reeves and John Davie.

Moses Wilson Gray

Before his arrival in Otago in 1863, Moses Wilson Gray was already a household name. He was descended from Scots-Irish stock and studied at Trinity College, Dublin, from 1823 to 1835. There he became involved in nationalist politics and, like many other students, sided with the Catholics in pressing for repeal of the Act of Union. O'Hegarty quotes at length a speech which Gray delivered to the Repeal Association, but describes him as "an otherwise silent member" of that body.3 Gray became an assistant commissioner in the Poor Law Inquiry and later travelled extensively in the frontier states of the USA. Both experiences contributed materially to his views on land reform. While in America, he may have met his wife and fathered a child. It is likely that they spent most of their lives apart.4 Back in Ireland, Gray took an active part in the Irish Tenant League, edited and managed the Freeman's Journal, and joined the Young Ireland

---

1 ODT. 15 February 1871.
2 Tuapeka Recorder. 13 October, 3 November 1865.
3 P. O'Hegarty, A History of Ireland Under the Union. p. 221.
4 Probate File 428 (old series), Dunedin High Court. Gray intimated that his wife was Harriet Gray of Marquette in the State of Michigan.
Party. For his part in the troubles of 1848, Gray's brother was arrested for treason (along with O'Connell and Gavan Duffy) and Gray himself was also detained.

In 1855, Gray left for Australia with Charles Gavan Duffy, one of the most prominent Irish patriots and later Premier of Victoria. He became a reporter for The Argus, which was at that time edited by George Higgenbotham, a former Trinity College radical. He died at Lawrence in 1875 while on his way to Dunedin and retirement. His health, it was said, had been broken by constant travel under atrocious conditions and for the last two days of the session he had to be carried into the courtroom; a sad end to a life which the ODT described as "one continuous act of sacrifice to the people."¹ His coffin was followed by a procession of mourners a quarter of a mile long, while thousands more looked on.² The government made a generous grant of £800 to his widow.³

Gray's acute lack of confidence probably hampered his political effectiveness and held him back from accepting the higher legal honours that were pressed upon him. But it was precisely this extreme humility and his self-denying generosity that helped make him an inspirational figure. He dressed in the plainest of clothes and freely gave his money to needy strangers, even if it required him to go into debt himself. "So far as pounds shillings and pence were concerned he was a human puzzle".⁴ He rarely attended church and never took sacraments. His religious position was described by Robert Stout as "theistic tinged with agnosticism", though he had "a deep reverence for Jesus, the parables and the Sermon on the Mount."⁵ In private conversation he was charming and witty and people quickly warmed to him. C.W. Richmond met him in 1867 and was much taken "by his shrewdness, originality of view and sweetness. I have seldom met an able man so charitable and humorous and with such a quiet sensitiveness."⁶

Thomas Bracken composed a eulogistic poem in his honour which included the following stanzas:

```
Comes his story - Ah! we knew it
When his hand had work to do
He was ready there to do it
Firm and fearless, tried and true.
```

² ODT, 8 May 1875.
³ Probate File 428 (old series), Dunedin High Court.
⁴ Illustrated New Zealand Herald, 9 April 1874.
⁵ Echo, 6 August 1881.
From his Island Mother olden, 
Sailed away the upright man  
Fair young Austral; warm and golden,  
Called him to her people's van.

Boldly to the front he led them 
There he stood, unbought - unsold  
Tricksters march'd along to lead them  
Worshippers of salt and gold.

From the ranks the leader vanished 
Fighting still the people's fight:  
Still his name, unstained, unbanished,  
Lives a talisman of might.

Spirits of the old Convention -  
Ye who still retain your clay -  
Doff your hats when-ere ye mention  
Such a man as Wilson Gray.¹

George E. Barton  MPC (Dunedin City, 1871-73); MHR (Wellington City 1878-79)

Although he represented a city constituency in the Provincial Council, Barton’s earlier career linked him to the brand of politics which was typical of the goldfields and it is appropriate to deal with him in this context. He was born in 1829, the son of James Mundy Barton, a Dublin barrister. His grandfather was the Baron of Grove, Tipperary, and his sister married Baron Hughes.² An uncle was an archdeacon of the Church of England and a cousin was a dean. His father was an Orangeman and Barton himself was agnostic.³

Barton is said to have graduated from Trinity College, Dublin, though other reports suggest he was expelled for his political activities - he proudly claimed membership of Young Ireland in 1848.⁴ He was called to the bar in England in his twenty-first year. Barton emigrated to Victoria in 1853. According to one account, he was engaged for a time in manual labour on the goldfields.⁵ He also won some fame for his political activities, and his obituary noted that, in company with

¹ Bruce Herald, 9 April 1875.  
² Otago Witness, 10 June 1903.  
³ ODT, 2 May 1874.  
Wilson Gray and Charles Don, he was one of the great leaders of the liberal party in Melbourne.\(^1\)

Barton arrived in Otago in 1861 and initially practised with James Howorth. In 1866, he was obliged to flee the Province because of debts. Emily Richmond noted that:

Mr Barton has run away to Wellington on his way home by Panama. Mr Smythies was unable to attend church on Sunday but spent the day or part of it watching Mr Barton's abode. He, meantime was on his way to Wellington.\(^2\)

There were some strange contradictions in his character. His friends knew him as an urbane and very cultured man, an accomplished musician who devoured every new work of literature, history and philosophy that was published. The *Timaru Herald* paid him a high compliment:

He is an Irish barrister of the spitfire type, and a politician of feverish activity. A quick, clever, restless, spiteful, bird-like little fellow, who gives a peck here, and a scratch there, and generally manages to pick up a grain worth having from the most uncompromising heap of chaff. He is a man of birth and breeding and exquisitely cultured tastes, and he is, moreover, one of the most original thinkers we know.\(^3\)

Stout made his first appearance in the Supreme Court as Barton's junior: "throughout the whole of my life as a lawyer I was intimate with him and on terms of deepest friendship with him."\(^4\) The two men corresponded until Barton's death. In court, an accountable change came over Barton:

He is at once irritable and irritant. His forensic form bristles, as it were, with the quills of the fretful porcupine. He clothes himself with antagonism as with a garment. He seems to regard everyone who ventures to differ from him as a personal enemy, and he is eager to imagine a difference where none exists.\(^5\)

---

3. Quoted in the *Evening Star*, 3 March 1874.
"Little Barton" - he was only about five feet tall - was easily convinced that all hands were turned against him. He believed himself to be victimised by the newspapers. When Stout contended in a libel suit that the Dunedin press was emasculated and afraid to attack anyone, Barton interjected, "I think I am a living example to the contrary." Any perceived slight from the bench was apt to send him into a passion. His quick temper was the cause of numerous scenes in court. Frustrated by interruptions from "Darky" Smith, he once quipped: "I wish my friend would set up a bench in the next room and address it, while we are going on with the business." He threw up his brief in the middle of another trial and stormed out of court, claiming that the judge was deliberately trying to incite professional quarrels. Judge Johnstone adjourned a hearing in 1875 to allow Barton to recover himself, having previously baited him with remarks such as: "This is not leading the witness; it is driving him." Later, during the same trial, Barton caused the judge some concern when he suddenly left the room after words had passed between them. Barton apparently hid himself nearby:

...while Mr Barton was out of sight, he was closer to His Honour than the latter imagined, listening to all that was going on generally, and, in particular, to His Honour's affectionate inquiries.

After losing some important cases in 1874, Barton was "snappish and despondent". He began to doubt his ability and felt that his prospects in professional life were dismal. In 1876 he moved to Wellington. There was no improvement in his behaviour and his career in the capital was marred by further altercations. During a case in 1878, Judge Richmond told him that his language was insolent and that the best thing he could do would be to sit down:

"Mr Barton, if you will make yourself a common nuisance in court, I must take some means to put you down"
Barton - "I don't think your Honour can.

---

1 Otago Guardian, 5 July 1875.
2 ODT, 6 May 1874.
3 ODT, 8 May 1874.
4 Otago Guardian, 7 November 1874.
5 ODT, 10 July 1875, Southern Mercury, 23 July 1875.
6 ODT, 8 July 1875.
7 ODT, 13 May 1874.
8 Bruce Herald, 22 February 1876.
Judge - "I will try"  

This was not an idle threat. After further outbursts, Barton was gaol for contempt of court. He emulated James Macandrew's audacity by standing for parliament while still behind bars. It was announced that he would be standing for Sir George Grey's party. The press gave him little chance of success, but Barton's son skilfully conducted his father's campaign and secured him a good majority. On the day of the poll, a mob of 4,000 assembled, "screaming shouting and hurrahing." Barton's term of office was undistinguished and in 1879 he left to pursue his calling in San Francisco and later Sydney.  

Barton's courtroom antics, his ability and perhaps also his politics, made him unpopular with most of Otago's legal fraternity. When, in 1866, Barton was forced to flee the colony because of his debts, James Macassey tried to organise a combination of lawyers to prevent him returning to practise. Haggitt allegedly muttered in court: that Barton was "a damnable scoundrel" and Ritchie told Russell in 1874: "The profession here are sick of Barton. I would not mind giving him a good hammering if I caught him in the dark." 

When in control of his temper, Barton was an effective and humorous advocate. His skill in manipulating juries was greatly admired: Mr Barton is delighted when he can get at a jury so as to work upon their feelings. This he seldom fails to do when he gets the opportunity. And if there be nothing in the case to allow him to "pile on the agony", he will try to put them in a good humour by making an amusing running commentary on the very driest details.  

Barton's witticisms charmed and entertained Dunedin's courtroom audiences for fourteen years. On being cornered in argument one day he was told that he might choose between the horns of a dilemma. He immediately replied that he...
would "choose the tail". On another occasion he made reference to an important witness who had died: "Gentlemen, I cannot bring him back to you, or put him in that box, such miracles are alone reserved for my spiritualistic friend Mr Stout." His impersonations of James Macassey's distinctive walk - "with his hands behind his back - just like Napoleon, you know?" - created a "most amusing scene" in the Mayor's court in 1873. He antagonised some of the goldfields members in the Provincial Council by facetiously moving, "that the introduction of Scotchmen is injurious to the interests of the Province because the Scotch are a frugal and industrious race and in other ways resemble the Chinese." Few of Barton's colleagues regretted his departure, but the Dunedin public were deprived of a great source of entertainment. In subsequent years, J.E. Denniston took his place as the main exponent of temper tantrums in court.

In later life Barton became a warm admirer of the Maori people and interested himself on their behalf. Stout recalled that Barton was "desirous of doing all that could be done to protect them and their rights." Barton was counsel for the plaintiff in the famous case of *Wi Parata v the Bishop of Wellington* and became a judge of the Native Land Court. He is said to have been popular on the East Coast circuit, but he resigned in 1890 after Judge Wilson objected to questions he was putting to a witness and threatened to report Barton and retire him from the case. A newspaper observed that both men were "afflicted by tempers which brook no opposition", adding that "Judge Barton, at least, is personally in private one of the most amiable men, unselfish and overflowing with generous impulses."

---

1 *Otago Guardian*, 4 August 1874.
2 *Otago Guardian*, 7 November 1874.
3 *ODT*, 6 February 1873.
4 *ODT*, 19 July 1871.
5 Some of Denniston's escapades are recorded in the *Otago Witness*, 25 November 1883.
7 *The Yeoman*, 22 February 1890, pp. 10, 14.
George Brodie  MPC (Goldfields, 1863-66)

Brodie, an Edinburgh man, mined at Ballarat and Bendigo until 1858, when he was returned at the head of the poll for the Mandurang seat. He was included in Heale's cabinet in 1861, having helped to bring down the Nicholson Ministry. His involvement in a sharebroking scandal soon forced him from office and he followed the rush to Gabriel's Gully.1

Brodie was one of the original goldfields politicians and the standard bearer of the mining interest in both the provincial and general assemblies until his retirement in 1866. His vocal stamina was extraordinary and all in the house settled back in their seats whenever Brodie rose "to make a few remarks". His voice, unluckily, was rather flat and his speeches ungrammatical. The Otago Daily Times doubted that he had uttered more than half a dozen complete sentences in his long, wandering speeches before the Council.2 After observing a sitting of that body in 1865, Ritchie came home and complained in his diary about Brodie's "grinding drawl".3 There was no lack of eloquence, however, in Brodie's leading articles in the Dunstan Times, particularly when the character and abuses of the Old Identities was his subject. He died in 1872 and apparently left his family unprovided for.4

Captain William Baldwin  MPC (Goldfields, 1863-4), MHR (Goldfields, 1863-65; Manuherikia 1866-7)

See Appendix 10. Baldwin received part of his education at Trinity College, Dublin, where Wilson Gray and G.E. Barton also studied.5 Baldwin's hand in Gabriel Read's discovery of gold at Tuapeka is described in some length in Pyke's History of Early Gold Discoveries in Otago, pp. 32-34. After his election in 1863, Baldwin, Brodie and Hughes "shouted" for their supporters. There were complaints that the election had been a clandestine affair, with only fifteen being present at the nomination.6

---

2 ODT, 20 May 1865.
3 J.M. Ritchie, diary entry for 23 June 1865, Ritchie Papers.
4 ODT, 20 November 1872.
5 Daily Telegraph, 28 April 1863.
6 Daily Telegraph, 25 April 1863.
John Hughes  MPC (Goldfields, 1863-66; Tuapeka, 1867-70)

Often referred to as "Honest John" by the miners, Hughes had an undistinguished political career and usually allied himself with Julius Vogel. The Tuapeka Times was a severe critic:

It is in the memory of most of us how Mr John Hughes was placed in the position he now occupies. Had even a third rate man presented himself for nomination at the time, Lawrence would have been saved many a vain regret. Everyone knows that it was from no merit that he was made a representative of the people.¹

Hughes died in Dunedin in 1873.²

Horace Bastings  MPC (Dunedin, 1864-65; Tuapeka 1871-75), MHR (Waikaia, 1879-1881)

Bastings was born in Islington, London. It is possible that his family was prosperous, for biographical material held at the Otago Early Settlers' Museum suggests that he attended Christ's Hospital, a famous London school. It is said that Bastings disliked the distinctive blue coat uniform of this school because it "made him a target for the jeers of the East End urchins, and, at times, the recipient of stones hurled in anger at the blue coated 'toff'". Bastings arrived in Port Philip in 1849 at the age of eighteen and began mining when gold was discovered in New South Wales, meeting with moderate success at Bathurst. Thereafter he turned his attention to business activities. He became a councillor and later mayor at Brunswick, and when he left for New Zealand in 1862 the Premier, Heales, presided at his farewell.³

Bastings began business in Otago at Frankton and subsequently returned to Dunedin. He entered politics with enthusiasm and became a Provincial Councillor and member of the Town Board. Losses on hotel properties in Dunedin and Hokitika made him bankrupt in 1865 and temporarily forced him from the public

¹ Tuapeka Times, 22 January 1870.
² ODT, 13 February 1873. Echo, 15 February 1873.
³ Tuapeka Times, 1 March 1876.
stage.¹ He went to Lawrence to retrieve his fortunes and won local fame there as a publican, brewer, coach proprietor and politician. The first brew from Bastings & Kofoed's Wetherstons brewery was dispensed free. A large crowd gathered to enjoy this boon and "afterwards showed signs of great animation."² Dubbed "the Lion of Lawrence", he became the town's first mayor and gathered a large and loyal body of followers. His "jaunty braggadocio style" helped to make him the most popular and influential of the goldfield politicians in the later part of the provincial era.³

Bastings left Otago in 1882 and engaged in engineering works in Australia. He constructed the first cable tramway at North Shore, Sydney, and afterwards built the Bacchus Marsh railway. He subsequently worked as an auctioneer in Auckland, returned to England in 1896, and then settled at Invercargill. He died in Auckland in 1909.⁴

Charles Haughton    MPC (Queenstown 1865-67; The Lakes, 1867-72), MHR (Goldfields, 1865-66; Hampden 1866-70, Wakatip, 1871)

Charles Edward Mallard Haughton was one of the more controversial figures in Otago politics. Born in New South Wales in 1827, his parents intended that he should enter the holy orders and, after receiving an Oxford MA, he became a naval chaplain. During the Crimean War, Haughton served on H.M.S. Euryalus and H.M.S. Princess Royal and was responsible for tutoring the young Duke of Edinburgh in his studies and ministering to his spiritual needs. He subsequently became a convert to Roman Catholicism and appeared in Otago in 1863.⁵

Haughton practised as a mining agent at the Arrow, where he became a very popular figure, but was rarely seen on the goldfields after 1868. He undoubtedly possessed a brilliant mind. A gifted journalist, his political enemies feared his powers of criticism and flashes of humour. He was Chairman of Committees in the Provincial Council and senior whip in Stafford's short-lived Ministry of 1872, but he was notoriously unreliable as a party man. Ballance described him as "the ingenious barnacle".⁶ The Daily Telegraph explained to its readers:

1 Otago Witness, 5 August 1865.
2 Dunstan Times, 19 November 1869.
3 ODT, 19 November 1881.
4 Otago Witness, 30 June 1909.
6 Bruce Herald, 17 May 1878.
Mr Haughton's principles and interests are those of the strongest party. He is a supporter of every majority and government whether it has the least chance of success. He pays due regard to the loaves and fishes and spreads his political net to catch fish of the smallest size.¹

Distrusted for his shiftiness, Haughton was known to have some unusual habits, including a close attachment to his dog "Bully". The two were apparently inseparable. Shepherd was able to ascertain that Haughton had been attacking him anonymously in the Wellington press because, as he informed the House, "Mr Haughton's dog 'Bully' is frequently to be found lying at the door of the 'Advertiser' office."² "Bully" died in 1873 and the Tablet published a short obituary: "Bully knew all the older members of Parliament but was puzzled with the new ones of the last session. He was a constant attender at Parliament House, and used to follow his master when he was canvassing the Wakatip constituency."³

There were other unconventional aspects of Haughton's make-up of which most Otagonians had no inkling until he had left politics. In his Romance of Lake Wakatipu, Robert Carrick left a colourful description of the genus "mining agent", the majority of whom "lived a hand-to-mouth existence - hunted around bar-parlours, and entered freely into all the debaucheries of a digging life."⁴ Some of them were men of ability who had found it prudent to seek a remote corner of the empire, away from the vigilance of the police. Haughton was possibly one he had in mind when writing these words. While visiting Otago in 1876 in his capacity as Undersecretary of Immigration, Haughton became the centre of a scandal when he was suddenly arrested for attempting to induce a Wellington youth to join him in "an unnatural offence".⁵ Recaptured after jumping bail, he was spirited past 2,000 spectators at the Port Chalmers wharf and returned to the capital for trial.⁶ There were rumours that his friends were attempting to buy off the crucial witness but, after a closed trial, he was acquitted of the charge.⁷ The judge advised the jury

---

¹ Daily Telegraph, 24 April 1871.
² Wellington Independent, 11 October 1871.
³ New Zealand Tablet, 27 December 1873, p. 8.
⁴ R. Carrick, A Romance of Lake Wakatipu, p 11. (See also Echo, 29 April 1871.)
⁵ New Zealand Times, 29 August 1876.
⁶ Lake Wakatip Mail, 7 September 1876.
⁷ New Zealand Times, 4 September 1876.
that Haughton's conduct, while highly improper, probably did not satisfy the requirements of the alleged offence.¹

At the insistence of Sir George Grey, the Government expelled Haughton from the civil service. He fled the country but later returned to edit the *Evening Star* in Dunedin. That paper then adopted a hostile tone towards Grey, which was perhaps unwise of Haughton, as the *ODT* then felt obliged to reveal details from his past. Its accusation was that, while chaplain on the Princess Royal, Haughton did, "make an assault on a certain man... with intent to commit that detestable and abominable crime (not to be named among Christians) called Buggery." Run out of the navy, and saved from prosecution by the injury that this might cause Her Majesty's service, Haughton sought obscurity in the colonies under an assumed name - Mallard being his true surname.

There was, of course, a libel action and Haughton tried to enlist the Duke of Edinburgh, various admirals and senior naval officers in his defence.² Stout arranged a settlement out of court and the matter was left quietly to die.³ Haughton remained in Dunedin and was still writing leaders for the *Evening Star* in 1904.⁴ He gained a mention in the social column of the *New Zealand Graphic*, which suggests that he was on the way to recovering his position in Dunedin society.⁵ Haughton's will (4500, Dunedin High Court) appointed Frederick Mallard of Cumberland St., gentleman, to be his executor. He left his jewellery to a nephew, Charles Lewis Evans, of the Royal Artillery.

**Henry Manders** MPC (The Lakes 1875), MHR (Wakatip, 1876-79)

Henry Manders, Haughton's one-time business partner at the Lakes, also had worries in his private affairs. Manders was an impetuous Irishman who claimed descent from one of the best Dublin families.⁶ Materially, however, his fortunes did not flourish on the Otago goldfields. Barton called him in the case *Macassey v Bell* to show the futility of suing the *Lake Wakatip Mail*, of which Manders was editor:

---

1 The question of consent appeared to be an issue and the evidence against Haughton was contradictory. *Lake Wakatip Mail*, 29 August, 6 September, 4 October 1876.
2 *Bruce Herald*, 12 July 1878.
3 Stout to Mouat, 2 May 1878, Stout Letterbook, Victoria University Library, p. 102.
5 *New Zealand Graphic*, 26 July 1890.
6 *Arrow Observer*, 12 January 1876.
He thought the jury had seen enough of Mr Manders to show them that he was not in the best of circumstances as to judge of him by his clothes. Like most men living by literature he was a remarkable instance of a clever fellow, and, he believed, a university man, reduced to writing for newspapers.1

Manders pushed himself to the fore in all the social and business movements in the Lakes District but it was some time before his political claims were taken seriously. He was not a convincing speaker. One critic remarked that "Mr Manders was certainly a flowery orator and reminded him of a garden, from which however was absent the most precious flower, that of truth".2 The New Zealand Mail was also unsympathetic and declared that listening to his speeches was like drinking weak tea with far too much sugar in it. "The bland persuasiveness of his smile is backed up by a most mincing manner of mouthing his sentences."3 He probably had some political experience in Victoria and was remembered by a writer in the Lake Wakatip Mail as "an old stump-orator from Inglewood."4

Manders eventually won the recognition he craved, being elected to the Provincial Council in 1875 and to Parliament in 1876. He greeted the latter victory with jubilation, proclaiming to his supporters that he would prove the Charles Bright of the Assembly. Except for a brief hour of glory when he held the balance of power in the House, his term of office was undistinguished.5 He was found asleep in Parliament in 1878 and had to be roused several times during the divisions.6

Manders' political career suffered a grave setback when he was involved in a domestic scandal in 1876. For a number of years Manders lived with a feisty Irishwoman, Margaret McKeane, who kept house for him, though rarely receiving her wages. Trouble started when Manders began to think of marrying another woman. There were scenes in the street. McKeane was fined for drunkenness and again for slapping Manders in public. He, in turn, insulted her so badly that she had to retire to bed for several days. Manders agreed to pay her £240 if she would

---

1 ODT, 11 May 1874.
2 Lake Wakatip Mail, 28 October 1863.
3 New Zealand Mail, 31 August 1878.
4 Lake Wakatip Mail, 20 May 1868.
6 Morning Herald, 12 September 1878.
leave him alone until he died, pleading with her, she alleged, not to expose him or he would have to resign his seat. Having no cash he next promised to leave her his house and land if she did not sue him.¹

In spite of her vigilance, Manders secretly made off to the session in Wellington without a settlement being reached and McKeane resolved to follow him. He returned married to his new love. His wife had an upsetting introduction to life as Mrs Manders. A large crowd gathered at the Queenstown wharf when Manders returned and threw eggs and flour at the couple. It then paraded his effigy through the streets, preceded by a band which played "The Girl I Left Behind Me".²

Mckeane took Manders to court and the judge described the case as the most unsatisfactory he had ever heard. In awarding the housekeeper £55 he could only say that there were very peculiar circumstances surrounding the case and it did not appear to be one altogether of the relationship of master and servant.³ Manders was defeated in the next election.

James Clark Brown  MPC (Lawrence, 1865; Goldfields, 1867; Tuapeka 1871-75), MHR (Tuapeka 1871-90)

J.C. Brown was born at Macclesfield, Cheshire, the son of a naval officer. He was educated at a private school and apprenticed to a merchant.⁴ In 1852 he emigrated to Victoria. Like Bradshaw and many of his other political colleagues, Brown could boast a long experience on the Victorian diggings. During his nine years' stay in Australia, he mined at Forest Creek, Ballarat, Mount Kerong, Inglewood and Ararat.⁵ It is reported that he ran a steamer between Sydney and Tasmania.⁶ There is also some suggestion that he was engaged in politics.⁷ After working briefly at Gabriel's in 1861, he turned to store keeping and became one of the largest suppliers to the goldfields, establishing his "Victorian Stores" at Wetherstons, Lawrence, Queenstown and the West Coast.⁸ This business

¹ ODT, 17 July 1877.
³ Southern Mercury, 21 July 1877.
⁵ Mount Ida Chronicle, 21 January 1876.
⁷ Mount Ida Chronicle, 21 January 1876.
⁸ Mount Ida Chronicle, 21 January 1876.
Appendix 38

collapsed in 1865 and became another bad debt for the New Zealand Banking Corporation. The liquidators of the Bank sought to recover £12,724 from Brown, a sum which was separate from the losses they had already accepted in terms of his deed of arrangement. It appears that Brown was again on the verge of bankruptcy in the late 1880s. No death duty was paid on his estate.

James Benn Bradshaigh Bradshaw MPC (Goldfields 1866-67; Mount Benger 1871-73), MHR (Wakatip, 1870-76; Dunedin Central 1885-86)

Bradshaw is probably best remembered for his efforts on behalf of factory workers (particularly female and child workers) and his attacks on the sweating system. Even before these achievements, however, he had led an unusual life. There is some doubt about aspects of his early career particularly the assertions that he was a son of a General Joseph Bradshaw, that he was educated at Haileybury for the service of the East India Company and that he fought in the Kaffir war. According to one source, he made trading journeys to Brazil, America and a number of the African Islands, including Madagascar, Bourbon, the Isle of France, the Seychelles and Ascension Island. He is stated to have made journeys through Kaffraia and the Dutch republics in southern Africa and to have visited the mission stations of Robert Moffatt and Dr Livingstone "with whose families he was intimately associated." Around 1850 he supposedly became war office agent, recruiting officer and commander of a company in Natal. He left when Sir Harry Smith, Governor of the Cape and a friend of his father, was recalled. He went briefly to the Isle of France and thence to the Victorian diggings in 1852 or 1853.

Bradshaw worked as a miner for the next four years. He was involved in the deep wet sinking at Creswick, and was one of the first to engage in quartz mining at Bendigo, having shares in the famous claims of Eagle Hawk and Mariner's Reef. After some successful speculations he practised as an assayer and gold buyer at Castlemaine, Tarramgower and Maryborough. Major Richardson engaged him on

---

1 Dunstan Times, 26 December 1867.
2 J. Bassett, Sir Harry Atkinson, p. 149.
3 AAEC 638/96, National Archives.
4 Compare G. Scholefield (ed.), A Dictionary of New Zealand Biography, Vol. 1, p. 88, with G.G. Griffiths, "Bradshaw Sale and Manning", Hocken Library. It seems that Bradshaw made no effort to dispel these misapprehensions about his origins, and his relationship to General Bradshaw is mentioned on his tombstone in the Northern Cemetery.
5 Mount Ida Chronicle, 25 February 1876.
6 Mount Ida Chronicle, 25 February 1876.
a trial assay of O:ago gold, and this might have led him to move to this country. Bradshaw went first to Dunstan and followed the rush to the Lakes. He operated a gold office at Queenstown and also acted as a mining agent and journalist.\(^1\) In 1867 he was at the centre of the dispute between Macandrew and the Central Government over the delegation of official powers over the goldfields. He was attracted to the Thames goldfields and worked there for a time as a sharebroker.\(^2\)

Bradshaw’s career in provincial politics was ended by his part in the Moa Flat sale. He distinguished himself in Parliament by his Employment of Females Bill (limiting the hours of work to eight hours for females) and various amendments to the Factory Act, which, among other things, prohibited the employment of children younger than ten. He is also said to have assisted materially in the introduction of the Saturday half holiday.

Bradshaw practised as a sharebroker in Dunedin and won the Dunedin Central seat in 1884, apparently with considerable support from labour interests.\(^3\) He died in 1886 and, as noted in Volume One, left almost nothing for his wife and family. No death duty was paid on his estate.\(^4\)

**Thomas Luther Shepherd**  MPC (Goldfields, 1867-70; Dunstan, 1871-73), MHR (Dunstan 1871-75)

T.L. Shepherd is said to have been born in London. He removed to Victoria around 1853 and drifted between legal offices in Melbourne and the diggings.\(^5\) It is possible that he was never seriously engaged in mining pursuits. In New Zealand, he established himself as a mining agent and was apparently undeterred by claims from his detractors that he was practising illegally.\(^6\) His first position appears to have been as clerk to William W. Wilson in Queenstown.\(^7\) W.H. Reynolds alluded to Shepherd’s dubious legal credentials in Parliament in 1873:

> The other afternoon Mr Reynolds pointedly alluded to persons who follow miners and "make a living by sponging on them". Mr Shepherd was the only member who thought it necessary to repel

---

4. AAEC 638/96, National Archives.
the insinuation. He commenced, "Sir, I am too well known on the Otago gold-fields." "I've no doubt of it," replied Mr Reynolds (Laughter). Again Mr Shepherd said "Sir, I am too well known on the Otago gold fields to need to repel the insinuation of Mr Reynolds. I have at least never put my hand improperly into the public purse. Let the Honorable Member for Dunedin City note my words. He will know well what I mean". Mr Reynolds replied that he did not, and wished Mr Shepherd would explain.1

Because of the perpetual amiability of his countenance, Shepherd was universally known as "the Smiler". Certain journals also made the donkey his personal emblem. The reason for this is not clear, but may relate to an incident at one of his election meetings at Queenstown in 1868. A practical joker disguised in a white sheet rode a donkey into the room where he was speaking and disrupted proceedings. Police quickly arrested "both the two and four-footed asses" and order was restored.2 The offender was fined £2 and severely reprimanded; his only excuse being that if asses were excluded, public meetings would be but thinly attended.3

Shepherd's "itch for notoriety - hardly intentional, and yet intensely individual -" was one of his remarkable attributes.4 In the words of the Tuapeka Times, he was "the personification of bumptious egotism."5 Unfortunately his self-love found expression in the desire to speak at length on any question, large or small, which might arise in the Provincial Council or Assembly. "No matter what the subject - whether the forging of a horse-shoe nail, the construction of a railroad, or a journey to the moon - Mr T.L. Shepherd can talk about it."6

Shepherd's political platform was simple and based upon attacking the privileges of squatterdom and securing the rights of the mining population. His success in playing on these sentiments soon brought him a certain notoriety in provincial politics. A writer in the Melbourne Leader was astonished to discover Shepherd's newly won celebrity:

The gentle shepherd, known to fame in every town in Victoria, has blossomed in New Zealand into a popular representative.

1 Evening Herald, (Wanganui), 4 November 1871.
2 Tuapeka Times, 3 October 1868.
3 Tuapeka Times, 3 October 1868.
4 Mount Ida Chronicle, 14 January 1876
5 Tuapeka Times, 24 November 1870.
6 Evening Star, 7 November 1870.
Unfortunately, he proved himself of the worst class of popular representative there. His idea was that it was his mission to lead the house, and in order to bring the people to the same opinion, he was on his legs at least forty times a night. For him there was no subject too profound to grapple, no detail too minute to examine. The most amusing part of him was his grotesque pomposity. Having known him in Victoria, the way in which he gulled some of the most innocent of the Old Identities amused me almost as much as it disgusted me... He always spoke to the gallery, but I discovered after some time that the gallery refused to be spoken to. 1

Shepherd, more-or-less impecunious, retired from politics in 1876 and spent several unhappy years in Wellington waiting for an appointment in the civil service. He had good reason to expect a sinecure, having kept the Vogel Government in office when its existence depended on one vote. 2 While in the capital, he became a target for public ridicule. Larrikins and hotel patrons baited him with cries of "Smiler" and the proprietor of the Duke of Edinburgh Hotel assaulted him. 3 The Evening Chronicle made a habit of making fun of him. Its publication of this satirical poem prompted Shepherd to file a libel writ: 4

Who have we here, so sleek and fat
With smiling visage like a cat?
Upon his desk a soiled white hat
In the House of Representatives.

Three benches from the speaker's chair
Just cast your eyes, you'll see him there,
Smiling with rapture at the fair
In the House of Representatives

His face is round like moon at full
With small dark eyes and neck of bull,
And not much sense from him you cull
In the House of Representatives.

Tis curious quite to watch the man
Whose only business is to scan
With roguish eyes, that fair divan
In the House of Representatives.

1 Quoted in Tuapeka Times, 28 August 1869.
2 Tuapeka Times, 9 February 1876.
3 Evening Chronicle, 27 August 1878.
4 Southland Daily News, 16 October 1878. Morning Herald, 16 October 1878.
Like faithful Shepherd o'er his sheep
This little tub his watch doth keep
Except, indeed, when he's asleep
In the House of Representatives.

Why do they send to parliament
These men so much on ladies bent
Surely they're not for business meant
In the House of Representatives.

Indeed I feel my beauty quite
Has lost three shades since this old fright
has gazed upon me day and night
In the House of Representatives.

I hope he'll take the hint from me
And smile not quite so longingly
But mind his work, what e'er it be
In the House of Representatives.¹

A billet was found for him in the Government Insurance Department and "he smilingly adapted to the change in his colonial fortune".² Personal frictions with his superior soon caused him to leave the service and he was next appointed receiver of gold revenue and clerk of the court at Palmerston. Shepherd had to be relieved of this position after he tried to set up lodgings in the bailiff's office, locked out the magistrate and used insulting language towards him.³ News of his appointment to another government position brought on a fit of apoplexy from which he died in 1884.⁴

¹ Evening Chronicle, 15 October 1878.
² Tuapeka Times, 6 March 1878.
³ ODT, 13 December 1881.
⁴ Clippings from the Dunedin correspondent of the Tuapeka Times, Hocken Library.
John Philip Armstrong, MPC (Mount Ida, 1871-73, 1875)

Some details of Armstrong's early life may be gleaned from his biographical anecdotes titled "The Adventures of an Irish Pilgrim", which he delivered at a number of charity lectures. His father was an infantry captain who had served in the Peninsula campaign and at Waterloo. After selling his commission he settled the family on a small estate in County Wexford. Their neighbour was John H. Talbot, the Catholic member for New Ross. He could recall a visit by Daniel O'Connell; his mother allowed their gate to be decorated "though we were on a different side of politics from Talbot and O'Connell. Talbot was a Roman Catholic and we were all protestants." He had the honour of shaking hands with O'Connell and got a pat on the head.

Armstrong's parents both died before he was more than an infant and he was brought up by his uncle, a member of the Church of England. His brothers became prosperous lawyers and doctors; one of them later went to the Victorian diggings accompanied by his personal servant. John, however, was considered too slow to have money wasted upon his education and was attached to a firm of plate glass and oil colour merchants. His employers were Methodists and Armstrong considered becoming one himself. Instead, as he himself confessed, he was a backslider all his life.

After the turmoil of 1848, Armstrong's friends advised him to leave Ireland for his own safety. His involvement with the political club of Thomas Francis Meagher was sufficient to attract the attention of the authorities. He left for the United States at the age of twenty-one. There was an outbreak of cholera on the ship but Armstrong, a strapping youth more than six feet tall, survived and landed at New Orleans. A visit to a slave market made a lasting impression on him and he developed a contempt for any form of religious or political dogmatism. He travelled in America for two years and proudly claimed to have shaken hands with Lincoln.

After briefly returning to Ireland, he went next to Victoria shortly before the gold discoveries. Armstrong was among the first to join the rush to Ballarat and in the following years he engaged in a variety of pursuits, including mining.

---

1 Most of the details for this biography have been obtained from the publication of his adventures in the *Otago Witness*, 9 December 1903, p. 58; 6 January, 2 March 1904, p. 13.
storekeeping, bullock-driving and dentistry. He probably stood for Parliament as a land reformer, but without success.\textsuperscript{1}

During the McIvor rush, Armstrong met and became intimate with Julius Vogel. When Armstrong landed in Dunedin, his luggage thrown over his shoulder, Vogel was the first acquaintance he encountered. He crossed the street to greet him, but found that Vogel "had some affection of the eye and did not know him".\textsuperscript{2} Vogel had button-holed Major Richardson and did not wish to be interrupted. Indeed, Vogel did not acknowledge his old companion until 1867, when he feared for his seat in the Provincial Council and sought Armstrong's advice, addressing him by his Christian name: "the air is clearer around elections and you can be seen."\textsuperscript{3} The story well illustrates the ambition displayed by Vogel during his time in Dunedin. His own humble background was a thing to be forgotten as he sought the company and recognition of wealthy and influential men.

While keeping a store at the McIvor rush he befriended "a gentleman of the Beardy persuasion" - one of the New Israelite preachers who frequented the diggings in Australia and New Zealand - and decided to become a convert. "The doctrines were that we were never to die, but to live upon the earth in happiness etc."\textsuperscript{4} Armstrong grew his hair and lived as near the New Israelite ideal as possible. This flirtation with millenarian religion came to a sudden end after he had provided hospitality to the preacher for three weeks.

...when he was going away he said it was his duty now to bring me under the law prescribed by Moses and still extant among the sons of Israel. I was between twenty five and thirty years of age at that time, and I declined to be mutilated.\textsuperscript{5}

Armstrong, foreskin intact, came to Dunedin in 1862 and claimed to be the first dentist to practise in the Province.\textsuperscript{6} His lectures and professional tours made him a popular and well-known figure around Otago. A humble man, his wide experience of life instilled in him a deep regard for individual liberties. He sympathised with Catholic demands for state assistance in education. At no stage

\begin{enumerate}
\item Mount Ida Chronicle, 10 February 1871.
\item Bruce Herald, 2 November 1875.
\item Mount Ida Chronicle, 31 December 1875.
\item Otago Witness, 6 January 1904, p. 14.
\item Otago Witness, 6 January 1904, p. 14.
\item His dental techniques extended to the use of anaesthetics, for it is reported that a child patient died while under an anaesthetic administered by him. Dunstan Times, 12 May 1882.
\end{enumerate}
in his life did he own so much as an acre of ground - a feat not hard to achieve since he rarely had money.

David Hunter Mervyn  MPC (Mt Ida, 1871-73), MHR (Manuherikia 1867-70)

Mervyn's nationality is not clear, but it was asserted that he was not a Scot.¹ He appears to have spent time in Australia, for he claimed to have "witnessed the benefit of land agitation in the sister colony of Victoria."² C.W. Richmond wrote that Mervyn was "once a draper's assistant and now a farmer and owner of a mining claim. He is at all events a well behaved and sober man; better than the poor old owl [Charles] O'Neil who put the Cromwell bridge upside down, Vogel's colleague for the goldfields."³ Mervyn was named "Tightskin" by the miners.⁴ He was horsewhipped by John Sutherland in 1876 for branding Sutherland's sheep.⁵

Christopher Hickey  MPC (Kawarau, 1871-73)

Little is known about the life of Christopher Hickey. He was a miner who spent time at Tuapeka before moving on to Cromwell "in quest of his fortune."⁶ During 1871, Hickey was prominent in the anti-Chinese agitation.⁷ His political activities received vigorous support from Horace Bastings.⁸

Simeon Isaacs  MPC (Clyde, 1865-66)

Isaacs was an early member of the Jewish congregation in Dunedin and probably came to Otago from Victoria. After the Dunstan rush he settled for a time at Clyde, and he seems to have had some connection with the firm of William Mears & Co. Isaacs died in 1896 in Melbourne.⁹

¹ ODT, 4 June 1872.
² Tuapeka Times, 23 April 1868.
⁴ Tuapeka Times, 30 November 1870; 2 March 1871.
⁵ Bruce Herald, 10 March 1876.
⁶ Tuapeka Times, 21 May 1871.
⁸ Dunstan Times, 24 March 1871.
⁹ New Zealand Mail, 2 July 1896.
Robert Clarke  MPC (Lakes, 1873-74)

Clarke was born in Radcliffe, Lancashire, in 1833. He arrived in Sydney in 1857 and went to Ballarat. Clarke mined on a number of famous fields in Victoria and also worked as a cordial manufacturer. During this time he had a meeting with the bush ranger, Frank Gardener, at Mount Kosciusko. On arriving in Otago, he worked at various places, including Manuherikia, Valpy's station on the Upper Taieri, Clyde, Wakatipu, Macetown and Nenthorn. Clarke probably obtained his seat in 1873 through the support of the Arrow Miners' Association. He left for Tasmania in 1897 and died there in 1918. His obituary records that a brother of Clarke was British Consul in Russia.

Donald McPherson  MPC (Manuherikia 1865-66)

Donald McPherson came to Otago with a shipment of horses from Victoria and set up a store at Dunstan. This became one of the busiest trade centres in the district and McPherson was reputed to be a man of some wealth. It was observed on his death that McPherson did not loom large as a public man, except perhaps in bulk. Ross wrote that he:

yielded himself to the guidance of others, and cheerfully accepted any office in which the suffrages of the citizens placed him, without any consciousness of incongruity or any self-questionings as to his ability to fill it.

During his first session in the Council, McPherson did not utter a word. His constituents reproached him for this and he promised to do better next time. As related by Ross, his hour of fame duly arrived:

The following session of the Provincial Council was held in Farley's Music Hall, in that part of Princes Street then popularly designated "the cutting". One night Julius Vogel and George Brodie were having a furious set to about something, and the chimney was having a furious smoking fit at the same time. It was on this

1 North Otago Times. 29 July 1873.
2 ODT. 27 April 1918 (on which this paragraph is largely based).
3 Dunstan Times. 24 March 1882. The writer was probably C.S. Ross.
4 C.S. Ross, Early Otago, p. 64.
occasion, by the way, that Vogel in his anger called Frederick Moss "a pale reflex of the Provincial Secretary" - Mr Thomas Dick - a joke which those who remember the native pallor of the one and the exuberant rosiness of the other will be able to appreciate. However, the smoking chimney set them all coughing. A temporary lull occurred in the debate, when the burly form of Donald McPherson arose. It was his second session and his maiden speech. Expectation was on tiptoe. Addressing the Speaker - Major Richardson - afterwards Sir John - Donald exclaimed "Maister Speaker, a' the reek's coming down the lum". Then he sat down. It was his first oratorical effort and his last.

When he was interviewed by his constituents on one occasion, he was thus addressed by an inquisitive elector - "Mr McPherson; I have always supported you; but I have never yet heard you express any opinion on the land question". To which Donald grimly smiling, responded, "No laddie; an' ye never wull." To another who speared at him what he had done for the district, he replied, "I got ye one hunder' & fifty pounds for the punt road." "And where's the money?" pursued the questioner. "In my pock-pouk laddie," retorted Donald, "and there it's likely to bide." Donald was himself the proprietor of the punt over the Molyneux, and made the road referred to. He was not always over-eager to accommodate passengers. A resident of Clyde once went to him to tell him that some people on the far side of the river had been coying for an hour for him to go over with his punt to cross them. "Aye, aye"; said he with the utmost sang froid - "and if they were as tired of coying as I am of listening to them they'd have stopped long ago.

It was McPherson's misfortune to suffer periodic attacks of an excoriating disease which caused his skin to peel off in large patches. When thus afflicted he was confined to bed, in reptile fashion, until the symptoms subsided. McPherson later fell on hard times and left for Britain. He died in an accident on a railway line in 1882.

Alexander Innes MPC (The Lakes, 1872-73)

Innes was born in Glasgow in 1832 and educated at Edinburgh. He became an apprentice seal engraver, then emigrated to Victoria, where he kept a store for

1 Dunstan Times, 24 March 1882.
2 C.S. Ross, Early Otago, p. 68.
3 C.S. Ross, Early Otago, p. 68.
some years in the Ovens district. He is said to have designed the town hall at Beechworth. In 1863 Innes arrived in Otago and settled in Queenstown as a salesman for Bendix Hallenstein. He moved to Arrowtown as a branch manager and prospered there, acquiring considerable property in the district. He died in 1882.1

J.W. Robertson  MPC (The Lakes, 1871-72)

Robertson was born in New Brunswick. He went to California as a young man and then moved to Australia. He mined on the fields at Turon and Ballarat and later engaged in sawmilling in the Bullarook forest.2 He came to Otago in 1861 and followed the rushes from Gabriels to Fox's, Wakatip and the Shotover. Robertson and nine other men - all Nova Scotians - formed a band of "mates" on the diggings. Their mining activities were successful and Robertson went on to invest in timber milling and steamship property in the Queenstown district.3 He also joined Bendix Hallenstein in a business partnership and still held a share in Hallenstein's Kawarau mill at the time of his death in 1876. Robertson's estate was valued at £7,848.4

G.F.C. Browne  MPC (Waitahuna 1871-75)

George Francis Collins Browne was the son of John Collins Browne, of Holsworthy, Devon. He was educated at Grosvenor College, Bath, and emigrated to Melbourne in 1852. Browne came to Otago in 1862 and settled at Waitahuna, where he mined for sixteen years. He died in 1885.5

John Mouat  MPC (Goldfields, 1864-71)

Mouat was born in Shetland in 1830. Between 1852-61 he mined in Victoria. On arriving in Otago he mined at Gabriel's Gully and Blue Spur. He resigned from politics in 1867 to become a barrister's pupil under B.C. Haggitt and was admitted to the bar in 1870. Mouat practised at Lawrence and later Dunedin, but does not

3 Bruce Herald, 1 February 1876.
4 Probate File 484, Dunedin High Court.
seem to have flourished at either place.¹ He died in 1881 and left an estate valued at £461.²

Matthew Hay  MPC (The Lakes, Wakatipu, 1867-70)

At the time of his election in 1865, Matthew Hay was based at Lawrence and pursued the occupations of sharebroker, agent valuer and auctioneer. The *Tuapeka Recorder* of 8 September 1865 records his departure for the West Coast. He conducted his maiden sale as an auctioneer in Dunedin in 1877.³

George Ireland  MPC (Mt Benger, 1873-75), MHR (Waikaia, 1879)

Ireland was about 57 years old at the time of his death in 1880. According to one report, he was an Irishman by birth and the son of "a very good family", his father being a captain in the army.⁴ Elsewhere, it is stated that he was born in Northern Ireland of Scottish extraction.⁵ He arrived in Otago a year before the gold rushes began and mined at Gabriel's, later taking up a claim on the east bank of the Clutha. Apart from a period as teacher at the Roxburgh school, he appears to have spent most of his life as a miner. Ireland was a Wesleyan, though he helped to found a Presbyterian church in Roxburgh. Most accounts of his life agree that he was a well-read, humble and conscientious man. It was said that Ireland was a surname he had adopted, his real name being Renwick. The *Dunstan Times* believed that he was the son of Admiral Renwick.⁶

He was elected to the Waikaia seat in the House of Representatives in 1879. It was rumoured at the time that he was standing "in the Roman Catholic interest".⁷

---

² AAEC 638/94, National Archives.
³ *Otago Guardian*, 13 July 1877.
⁴ *Morning Herald*, 26 August 1880.
⁶ Quoted in the *Tuapeka Times*, 25 August 1880.
⁷ *Morning Herald*, 27 August 1879.
Duncan McKellar MPC (Kawarau, 1874-74)

McKellar was born in Paisley in 1843. He qualified as a pupil teacher and came to New Zealand in 1864. For a time he taught alongside Robert Stout. He moved to Cromwell and followed a variety of pursuits, including dredging, timber-rafting, carpentry, bridge-building, newspaper writing and teaching. McKellar served as Goldfields Secretary in Reid’s Executive and was one of the few goldfields members to remain loyal to Reid and Stout after the defection of Horace Bastings and his followers. McKellar died in 1890.¹ No death duty was paid on his estate.²

Cecil Albert de Latour MPC (Mt Ida, 1873-75), MHR (Mt Ida, 1876-1884)

De Latour published details of his family background and life under the title of "The de Latours in New Zealand".³ He claimed direct descent from a French nobleman, Bernard, Lord de la Tour, and believed that his grandfather and grand uncle had had distinguished military careers.

His father was born in 1814 and educated at Eton and the East India Company’s College. While at Eton he fagged for the future Lord Canning and continued to be his friend in later life. He became a judge of the High Court at Calcutta, but was sent home because of illness and died in 1862. His wife remained in England and cared for their five children.

Cecil received his schooling at Cheltenham College, which he described as a more modern proprietary school in revolt against the fixed methods of education at older schools such as Eton, Harrow and Rugby. In 1861 he entered Addiscombe, the military college for the East India Company, but his father had become interested in New Zealand through reading Weld’s pamphlet on sheep farming. Cecil was therefore sent to live with his Uncle, Robert Sconce, the Sheriff of Stirling, and studied Scottish methods of sheep farming on a Perthshire farm called Calvine.

² AAEC 638/96, National Archives.
³ This account is largely based on C.A. de Latour, "The de Latours in New Zealand."
Cecil was very enthusiastic about emigrating to New Zealand and landed at Auckland in 1863. He then went to Otago to seek employment with John Douglas, partner in the runholding firm of Comber and Douglas and a friend of his mother. Their station was "a bachelor establishment" of cob and thatch. At that time there had been little burning of the natural growth, and the Maniatoto Plain was well covered in feed and suitable for cattle. "Those who only know it as the waterless, dry, and arid stretch of today would hardly believe that in those days it had to be crossed with care and with some knowledge of the lay of creeks and swamps."1

De Latour mentions that matters were not going well on the station, which perhaps explains the sale of the property in 1873. He was injured when thrown from his horse (which had been "startled by a Chinaman") and was forced to find other employment. His career as editor of the *Mount Ida Chronicle* began thus:

There was a newspaper called the Mount Ida Chronicle published at Naseby in connection with the small printing business. The proprietor was Mr Hugh Wilson. A mining agent and elderly man of some ability was the editor. With what I think now was some courage, we took the solid roof off the stone hut and all doors and windows available at Ida Valley Gorge, and built with the material a house in Naseby. A half share in the printing business was purchased, and I became responsible for the ventilation of public wrongs and the advocacy of public rights in the "Chronicle". My training for the task was not questioned. The public were not exacting. At the time the district was a prosperous mining centre. Hamilton, a few miles away, was also producing a great deal of gold. St Bathan's, Blackstone Hill, Drybread, Tinkers and Blacks on the Manuherikia River were also active goldfields. The policy of the 'Chronicle' was to support and encourage goldmining, and to repel the attacks upon the use of their water rights which increased in strength as settlers in search of a market for produce followed the miners and took up land under such tenures as the law then permitted. Then, again, these settlers in their turn needed aid, for their advent on the inland plains was not encouraged by the Government Departmental offices, and was strenuously opposed by the pastoral tenants of the Crown, who had a practical monopoly of the whole district. Reporting the judgments of the peripatetic District Court, presided over by Judge Wilson Gray, I attracted that capable Judge's attention. Judge Gray had had a distinguished career in Australia as a public man. Coming to New Zealand he had the opportunity to occupy a seat on the Supreme Court, but could not face the thought of having possibly in the course of his duty to

---

pass the sentence of death... Judge Gray suggested to me that I should read for the bar... In 1874 [sic, 1873] I was becoming known as a zealous, if not always very judicious advocate of the people's interests. A dissolution of the Provincial Council was at hand. William Williamson, an experienced miner, who took a keen interest in public affairs, urged me to become a candidate. I had never spoken in public. What would happen when I got on to a platform I did not in the least know. Other friends supported Williamson in his advice and I yielded. Mr Macandrew was Superintendent of Otago and as such went out of office with the Council. Mr Donald Reid opposed Macandrew for the office of Superintendent. So there were two parties, the Macandrew party and the Reid party. Of the two leaders Macandrew took the wider view; Donald Reid's range was more linked to the interests of the smaller farmers. Mr Richard Oliver, a successful contractor and a partner in the firm of Oliver and Ulph, and myself championed the cause of Macandrew, while the two sitting members for Mt Ida supported Donald Reid and his friends. The district to be canvassed was a large one, and some of the meetings at the out districts were full of incidents and humour. Macandrew returned as Superintendent and Oliver and myself had an easy victory... The Council was a fine school for young men. The speaker was Mr J.L. Gillies, and excellent chairman, only excelled - if at all - in his office by Sir Maurice O'Rorke, for many years speaker of the House of Representatives. Under Mr Gillies the standard of the Council was a high one. Certainly the young men trained in public affairs under him had great advantages.¹

In 1876 de Latour defeated Ernest Chapman for the Mount Ida seat in Parliament. He noted that "Chapman was handicapped as a squatter... The pastoral tenants had nothing to gain from the miners and naturally the interests came to be regarded as inimical to one another".² De Latour was becoming anxious about his future prospects and the support of his family. The population around Naseby was diminishing and he feared that the Dunedin papers would make inroads into the circulation of local journals once the Otago Central line was opened. In 1878 he moved to Napier to become articled to W.L. Rees, but he continued to hold the Mt Ida seat until 1884. De Latour joined the Young New Zealand Party in the House. He practised law at Gisborne and died in 1930.

¹ C.A. de Latour, "The de Latours in New Zealand", p. 29.
Vincent Pyke

Pyke’s career is too well known to require full description here.¹ He was born in Somersetshire in 1827, the son of James Pike, a tinman.² He appears to have worked as a draper before the family emigrated to Australia in 1851. Pyke mined at various locations in Victoria and at one time kept a store at Forest Creek. He held a seat in the Legislative Council and in the Legislative Assembly and occupied various administrative and judicial positions before moving to Otago in 1862.

Pyke stood unsuccessfully for the Tuapeka seat in the Provincial Council in 1873, but represented Dunstan in Parliament from 1875-90. He was pressed to stand as Superintendent on several occasions, but could not be tempted. He told one deputation that he agreed with their estimate of his abilities, but preferred to cultivate his cabbages at Clyde in peaceful obscurity.³ It was reported that he had kept out of politics for ten years to fulfil a private promise.⁴

Pyke seems rarely to have enjoyed financial security. Shepherd referred to him in a veiled fashion as a man "who to my knowledge has lived on the forbearance of his creditors, and oscillated between the judicial bench and the Bankruptcy Court for years past."⁵ In his latter years, Pyke cut a rather quaint figure around the streets of the capital. Fair Play described him as

... the elderly gentleman with the everlasting "button hole" and the trim gaiters, who loves so much to take a stroll along Lambton Quay with "them all on." Somehow Parliament would not seem itself without the immortal Vincent.⁶

Pyke’s deceased estate was valued at £597.⁷

¹ For a full account, see T.J. Hearn, "Vincent Pyke", in C. Orange (ed.), The Dictionary of New Zealand Biography, Vol. 2, pp. 401-402.
³ ODT, 2 November 1870.
⁴ Mount Ida Chronicle, 7 January 1876.
⁵ Southland Daily News, 8 February 1876.
⁶ Fair Play, 18 November 1893.
⁷ AAEC 638/97, National Archives.
Colin Campbell McIntyre

Colin Campbell McIntyre was once a member of the Ararat Mining Board and represented Castlemaine in the Victorian Legislature. After the Beechworth triumph his grateful constituents shod his mount with golden horseshoes. When he arrived in Otago, he had not even a horse, "but boldly mounted the hills with his swag on his back". McIntyre was elected to the short-lived Otago Mining Board and stood unsuccessfully for the Provincial Council. He kept a store at North Pole, a remote gully in the Nevis Valley, so named because snow lay in it for most of the year. Much of the working took place below a face of snow thirty feet high.

Bendix Hallenstein MPC (The Lakes, 1872-75)

See Appendix 3. Hallenstein was a German Jew who had emigrated to the Victorian goldfields in about 1857. He arrived in New Zealand in 1863 and set up business in Queenstown, later moving his residence to Dunedin. Hallenstein was a figure of considerable stature in the public life of the goldfields. His correspondence suggests that he had close links with T.L. Shepherd and Henry Manders, and his partner, J.W. Robertson, also held a seat in the Provincial Council. Hallenstein was a loyal supporter of Reid's faction in the Council. His own politics were based upon the planks of closer settlement and the curbing of the runholders. Later, as a manufacturer in Dunedin, he expounded enlightened views on the importance of trade unions. It seems that Hallenstein retained a thick German accent. When attacked for seeking the Queenstown mayoralty while Robertson was a councillor, he is reported to have shouted: "I beg to assure ze ratepayers that if I am elected mayor I zhall not scratch Mr Robertson's back".

---

1 Lake Wakatip Mail, 9 December 1863.
2 Evening Star, 15 December 1869.
4 Hallenstein to Shepherd, 5 July 1870; Hallenstein to Manders, 31 January 1876; Hallenstein to the Editor of the Lake Wakatip Mail, 28 January 1876, Hallenstein Papers, Hocken Library.
5 C. Orange (ed.), The Dictionary of New Zealand Biography, Vol. 2, p. 188.
6 Tuapeka Times, 7 August 1869.
James Hazlett  MPC (Dunstan 1873-75)

See Appendix 3.
"High Street: Quaking!" - It was only amidst thunder and lightning that some of the grandest of Nature's works were accomplished, and what has been witnessed in the physical world is now seen in the political. Hardly any resolution, that has been much debated, in our little Parliament, has been passed, until the grey dawn of a new day greeted the honourable members, and personal attacks and angry language had been indulged in. On Thursday night, and Friday morning last week, the Council was a scene of turbulent excitement. In the afternoon of Thursday it was bruited abroad that Mr Driver, the honourable member for Wakari, would attack Mr Fish, Dunedin's newest member. The strangers' gallery was crowded, in expectation of the Driver gladiatorial feast, and supporters of Mr Driver and supporters of his party - or "government" - with their usual armament of applause, were in no small numbers, anxiously scanning the cushioned seats of the members. At last the honourable member arose and the attack began. It was the fight of a man at bay: private letters, private meetings, private correspondence were all rudely exposed to the public gaze, and after sentence after sentence of bitter reproach - full of strongly worded phrases - were poured forth, the supporters in the gallery used their applause armament to purpose. To a disinterested onlooker, who could - without identifying himself with either party - calmly scan the causes of this almost tragic scene, the fighting was instructive. Nor when Mr Fish sometime afterwards rose to reply - and with language as pointed as it was severe - literally castigated the High street champion, was the interest lessened.

The charges made against Mr Fish were: that he had been put forward and supported by the High street clique, that he had formerly voted with them, and held the same opinions as they did, and that he had now deserted them - and these were all. Mr Fish confessed that he had changed his views, as he got further information; but that he had changed since he had been elected, he properly and truthfully denied. We were, as our readers know no supporter of Mr Fish. We doubted the sincerity of his statements, on the hustings and at his meetings. Yet
we did not choose to use against him the papers we could have done, and shown to the public what transpired at the meetings in a certain hotel, and what in the institution in High Street. Mr Driver, now at bay, has no such compunctions. Apparently his clique were deceived. They believed that all Mr Fish's statements about the Hundreds Act were what they elegantly term "finessing", and consequently they supported him. What a lesson to the electors! To this squatter clique, making solemn pledges on the hustings, to be broken at the first opportunity, is not a dishonest act.
Southern League. 11 July 1871.

GOVERNORS

SIR, - Those who have resided in Australia, and have studied the tone and tendency of democratic institutions, have often been struck by the apparent uselessness of a Governor and his staff. What is the use of Governor is a question often put. The only answer ever given is that he represents the Queen. This has been so often disproved, that such a reply is now very rare; and the advocates for such an expensive piece of mechanism are driven to contend that he is the emblem only of British connection. The Governors of Victoria have been known to use their exertions to clog the wheels of democratic progress on more than one occasion, and so disgusted the ablest man there, Mr G. Higinbotham, that he declared that so long as the interference of Downing Street existed, so long would he refuse to be a member of any executive. Sir Charles Darling was the only Governor who sympathised with the democratic party, and he got recalled, in disgrace. Throughout all the colonies there is a battle waxing more earnest and more determined than any ever fought in the politics of the British race, and that is, shall we perpetuate the law of landlord and tenant? the disgraceful emblem of the Norman conquest. We see this determined struggle for possession of large tracts of land going on all over Australasia, and the representatives of the landlord interest supported by Governors, banks, and Superintendents. It is quite evident, then, that the interests of the people require the sweeping away of such useless appendages to Government. Unless the aid given to the squatting party, what has our Superintendent done? A Provincial Council true to the interests of the people and the progress of humanity would refuse to vote one shilling for the salary of such an incumbent. It is to be hoped that the representatives of Otago will soon find that to conserve the interests of the province they must take its affairs into their own hands. We may despair if they take tamely the certain rejection of the Land Bill by the squatting party in the Assembly. - I am, &c., M.
Southern League, 10 October 1871.

POLITICAL PHILOSOPHY

Let us look at facts plainly in the face. The shopkeepers of Dunedin, as a [rule] are careless about the future of New Zealand, and about this majority we shall write. We say future - not future prosperity or future adversity. They do not care for the future of New Zealand, quite irrespective of what that future may be. But what is worse is that their carelessness springs from mere theory and opinion, not from practical realisation and conviction. The shopkeepers who glibly talk about the land in Otago, probably never owned an acre in their lives - never will own an acre. They talk for talking's sake. They put men in power for excitement's sake. An election campaign is a series of half holidays; the Dunedin shopkeeper likes half holidays, and, therefore, he likes an election campaign. He likes a smooth tongue and big promises better than keen logic and stern truthfulness - therefore he prefers Mr MACANDREW to Mr REID. He likes men who grasp at power, and maintain it no matter how, and, therefore, he likes VOGEL. The Dunedin shopkeeper would himself play second fiddle to any man if he were well paid for it, and, therefore, he likes FOX. The Dunedin shopkeeper would himself patch up a hollow peace with the natives, therefore he likes DONALD M'LEAN'S sugar and plum policy. Bills of Parliament are to him exactly like Bills of Lading - no better, no worse. He would mortgage the Colony as he would mortgage a stock-in-trade. The petty debts of trade afford him a precedent for looking on a future national debt with no disgust. What always was, he thinks must be right. He is not original - he does not want to be original - it is so much easier to be second hand. It is far nicer to have national difficulties silvered or sugared over like little pills. He does not like truths. Far better does he like falsehoods dressed up as truths. He knows the day will come when falsehood will lose its mark and stand forth in all its naked deformity. But the Dunedin shopkeeper is so fond of deceit that he will endure the future revelation if he is presently delighted with a fair exterior. He sells his birthright for a mess of Vogelian pottage. Nay, he sells the birthright of his children, and of his children's children. Oamaru, Waikouaiti, Dunstan, Queenstown may cry out for farms and mining development, - they may say there are people walking searching for work they cannot get, and therefore we want no more people, - that public works are useful [sic, useless] without a land
population to use them, - that such works got up for the distribution of produce will be dearly bought when used only by the distributors of commerce - all this may be repeated, it is of no use. *He* has clean footpaths, good public buildings, and plenty of Government servants to help him at every turn of fortune's wheel, consequently he does not like the roughness of life. Now, thought is rough. Thinking is not pleasant. Thinking men grow lean, not fat. A man who consumes the midnight oil over thoughtful studies does not wax healthy. The Dunedin shopkeeper knows this. One would think at least he would be a neutral in politics - neither a Macandrewite nor a Staffordite. But no; though he has never read ADAM SMITH, JOHN STUART MILL, the London "Daily Times", the "Pall Mall Gazette," the works of RUSKIN, of FREDERIC HARRISON, of Earl RUSSELL, and of LORD BROUHAM - though he is not a politician in hardly any sense of the word, yet he will vote, he will perform an action which is the natural sequel, or supposed to be, of mind, political study and thought. He will shout himself hoarse listening to the illogical, the plausible, the sophistical, the fallacious arguments of a MACANDREW, or to the daring and unscrupulous misconstructions of a VOGEL. Let us look back upon the political meetings in Dunedin. Does not that back view present a most disgraceful retrospect? Are there a dozen known shopkeepers, who could, if they were on their death-beds, look back on past political meetings, without a flush of conscience-stricken shame.
Southern League, 26 October 1871.

THE WORKING MAN'S REFORM LEAGUE

SIR - The working men fully realise the liberal and bold protestations of your paper, but many of them are deficient of a knowledge of the value of co-operation, so I beg to make a statement and a suggestion. There is a society of the above name in England fighting for the rights of its class, and extending its operations over Europe, but they do not carry on the battle without ammunition, that is, money. Now, the rich well know the weakness of the poorer classes is want of money and unity, and they are beginning to discover that the many will rule the few; and this must come to pass if working men will it. Let us begin the good work here, and help our fellow workers and sufferers. I would suggest the formation of similar societies here for the reformation of every abuse, and [or] the welfare of our own class interests, [backed] up by say a subscription of threepence per week, which should constitute membership; one penny per week to go towards the support of a liberal weekly paper as the organ of the society, the rest in advertisements, and the rent of a hall wherein to meet and discuss all questions of vital importance. The working classes would thus soon right their wrongs and upset the political fleshpots of Otago. The operations of the society could be extended to all the provinces, each having its own lodge, thus forming one great unity of purpose, migratory habits being no obstacle. It only requires a leader and advocate to get up a prospectus and rules, and I firmly believe members will enroll their names and money. I have sounded a good many and they all see the importance of the thing. I remain, sir, yours respectfully,

A WORKER.
Echo, 21 December 1872.

UPPER HOUSES

The people in Victoria are not to be trifled with. The Upper House, though there elective, and consequently more open to democratic influence than our anomalous upper house, thought fit to take up a position diametrically opposed to the feeling of the people. It threw up the Mining and Private Property Bill, and assisted in amendments in the Education Bill, at the dictation of some of the clergy. A bold determined front did the people of Victoria assume. We will not permit their amendments, was their resolve, and the telegrams inform us that the Council has given way. They plainly told the Council that they would begin to inquire whether there was any necessity for an upper house at all. And the Council, afraid at last, makes a virtue of necessity, and passes the most thorough and democratic Education Act ever passed by any Parliament. And what a lesson is this to us! Those who desire progress, who look upon New Zealand as the destined home of men and women, and not as the home of would be aristocrats, must look to Otago and Auckland for the rise of any democratic movement. In Canterbury, Wellington, Nelson, and the smaller provinces, the holders of large sheep runs are powerful. The storekeepers are dependent on the sheep farmers, and the few working-men settled are hangers on the runholders or the storekeepers. They dare not complain of what their masters do under dread of being denied the means of a living. Let any one visit some of the districts of Canterbury or go to the Province of Wellington and this will be painfully apparent. Nor do we hope to see any alternative in this lamentable state of affairs until there arises about the towns, a class independent of runholder and storekeeper alike. In Otago, thanks to our Hundred system and to our Land laws - squatter favouring though they be - there is such a thing as a class independent of the squatters. And it is to this class that we must look for the rise of the democracy of New Zealand. Of course, we do not say that all the runholding class or all the storekeepers who act as their agents are Tory in their views. There are many honourable exceptions.

This question of abolishing utterly the upper house must be met and discussed. We look for no improvement in legislation; we look for no reform, until the Upper House is swept away as a nuisance. In Victoria what the people want with an elective upper house the news from Victoria shows us. The upper house
must under pain of political extinction pass a thoroughly democratic Education Bill. In New Zealand we certainly allow the Upper House to decide what land regulations shall become law! Is not this monstrous? When the democracy of Victoria can silence squatters and clergymen alike, can make an elective upper house tremble for its very existence surely we in New Zealand should begin to agitate for some reform. If our upper house is to be judged by its acts, then it will have to be voted unnecessary, and if unnecessary why should we tolerate its existence? Some people may say the upper house is a failure but it may be amended. It will be dangerous to trust all power to one assembly. We do not believe it. Still let us have some reform first. We believe the reform granted, the first step will be taken to have the house abolished. Changing the house from a nominated to an elective assembly will not allow democratic measures to be passed. The New Zealand oligarchy is too powerful. From Otago we might be able to get some democratic men returned; but for Canterbury, Wellington, Nelson, &c., the upper house would be more anti-democratic than it is now. The action of Victoria ought to stir us up to do something. Let us demand a pledge from every candidate for our suffrages that he shall vote "straight" for the abolition of the Upper House. If we get that accomplished we may hope to see other parts of the colony taking the matter up, and as our population increases we may hope to see the beginning of a democratic feeling in New Zealand. As yet we are under the heel of an oligarchy.
CORRUPTING AND CORRUPTED

Were the opinions of nine-tenths of the disinterested colonists who study our politics published, they would disclose an amount of dissatisfaction with the administration of our public affairs that would be startling. There are no 'parties', in the political sense, in New Zealand, and there is little if any public opinion. These being absent, the mass, we are sorry to state, look upon the entry of a fellow-colonist into Parliament as an attempt by that person to better his position. Patriotism, or a sincere desire to get carried into practice some theory that is believed to be beneficial to his adopted country, is about the last thing a member is credited with. And the records of Parliament prove, alas! that the opinion is too well founded. Hence the dissatisfaction we have mentioned. Members change sides; vote one way one week and another way the next; denounce one leader on one side one month, and discover the next that he is a "statesman;" support an extravagant expenditure of borrowed money while they pledged themselves to insist on economy...

People outside the colony must think us a strange people. No wonder there is a strong dissatisfaction amongst the colonists who think about our Government affairs, or the present method of administration. The question remains, why are these things permitted? Talk to a Victorian and he will point to that Colony and say such things would not be permitted there. Speak to one who has been resident in South Australia, or who has dwelt in New South Wales, and you will get the same reply. Why should New Zealand be unique? There have been corrupt practices in other colonies and other countries, but there there was an avenging public opinion. Here, the more corruption the more popularity. We do not mean that style of corruption which means cash paid down, but there is corruption nevertheless. Offices are created for the servile creatures of the Ministry, and districts represented by members wavering or neutral, are suddenly well attended to... We need not run over the list of offices created and appointments made by Mr Vogel for his supporters - it should take all the columns of the Echo to publish them. It is not the Members who are to blame for all this corruption; it is the people. They have listened to bribery and been corrupted. What was the meaning of that "cry" raised by Mr Vogel and re-echoed by his claqueurs - "We wish to
spend money in the place?" Was it not a universal system of bribery? It said to the
working men, come and support us and we shall, at the public cost, find work for
you; it said to the artisan, vote for us and your wages will be increased; it cried
aloud to the storekeepers, give us your support and trade will flourish; to the
lawyers, to the engineers, &c., the same offer was made - and the offer made was
accepted by all. The only class that stood out manfully against the insidious
advances of the "progressive" men, were the settlers and those who looked before
and into the future. The others looked at the grand scheme and at the borrowed
millions simply as means to put cash into their pockets. Let us eat and drink and
be merry now, said they to one another, we have nothing to do with the future.
And can we wonder then, when we see constituency after constituency bribed, that
the corrupting influence should display itself in the House of Representatives? So
long as the people are content to look at all questions from the money-to-be-spent-
in-the-place view, so long will corruption continue. Only those Members who will
make promises of "spending money in the place" stand in the first place any chance
of election. Were a candidate even now, notwithstanding the manner in which the
working men have been treated, to stand up in Dunedin to advocate economy and
denounce extravagance and jobbery, the chances are he would be dubbed a
"clodocrat" and hooted as a hinderer of "progress." That is why there is corruption.
The people make the Representatives. Let there be patriotic electors and there will
be HAMPDENS as before; let there be corruptible electors and we will have
WALPOLES. All our misgovernment rests with the people. Let them only declare
for economy - let them only denounce place-hunting and ratting half as heartily as
they denounced 'clodocrats' two years ago, and we would behold a reform and the
founding of a truly democratic party that would make the corrupted, and the
corrupters, and our would-be aristocracy turn and flee.
Southern League, 7 October 1871.

The sheep squatters of New Zealand are an ignorant yet self-conceited class. There are a few talented minds among them, but the rank and file of the woolly would-be aristocracy are so ignorant that they are not aware of their own ignorance. They are purse-proud. They never had so much wealth before. In the old country they were merely clerks or farm servants. They know not grammar, logic, or fine feeling. They look down on their intellectual betters, they are the tools of those politicians who espouse squatting views. They never argue because they can't. They bribe and corrupt. Newspapers and men alike are bought by their vulgar cash. They acknowledge no allegiance save that of a parliamentary majority on the squatting side and bank managers. They have much of the wealth of the English gentry, without having any of the civilization. And these are the people who govern us. These are the people who get into power. These are the people for whom the shopkeepers of Otago, Auckland, Nelson and Canterbury vote. These are the people who make the balance of power always bear to the capitalist class, for whom the artisan, farming and manufacturing class are mere tools. It is to make the balance of power more equal that the "League" was established. It was established for the purpose of aiding the artisan to raise himself to the position of a manufacturer, for the purpose of agitating for the promotion of the humble but honest farm servant to the position of a farmer on his own freehold. Is this a crime? Is it a crime to place our literary and political abilities in direct antagonism to the money and bribery of the great squatting class? Is it a crime to ask the Legislature to pass laws that will throw open the lands to the poor man of family who with buoyant hopes, has exchanged the fevered dens of Glasgow, London or Dublin for the, as-he-thought, liberal soil of Otago? Is it a crime to ask for a home for the sons of toil, at least equal to that which he would get in Canada, or Australia...?

We do not condemn public works or immigration in the abstract... But we say distinctly that any government who substitutes any immigration and public works scheme for a liberal land law, is merely a squatters' Government - if not positively, negatively.

... we pronounce the scheme of Mr Vogel... to be merely a bait thrown out to catch parliamentary votes in sufficient quantity to keep him and his colleagues in power.
Southern League, 12 October 1871.

FACTS AND PROSPECTS

THE Colony is plunged in gloom. Commercial depression is visible and audible, and almost palpable in private and non-private houses, in our legal courts, in our public meetings, in our civic pursuits, in our halls of legislation. Any one who tries to hide the dismal fact is a fool or a rogue - a dupe of his own conceit, or a knave interested in putting a coat of white-wash on the Colonial sepulchre. Debt hangs like a cloud over the Colony. We are taxed on each hand: we are constantly borrowing. Ships come in with disgust, and they leave with more disgust. There is no trade. People - some - say there is, but they are interested in saying a lie. Impartial onlookers know there is much cry and little wool. But we beg pardon - we have made an error. The squatters are growing fat and their agents are growing fat, and as they grow fat, all other interests grow thin. Sheep occupy the richest land in the Colony. The poor hard working man and the poor hard working woman are in a condition of half starvation, while the squatter is literally rolling in his carriage. The poor tax-ridden colonist, rides about in broadcloth and fine linen, over acres robbed from their rightful owner - the poor working man - whose sweat furnishes a basis for the fortunes of a squatter aristocracy, who spend their incomes in the haunts of luxurious vice and crime in London and Paris. The working man in New Zealand is far worse off than the working man in England. In England his masters are at least gentlemen of culture - of education. What working man would not be proud to call such men as DISRAELI, GLADSTONE, RUSSELL and DERBY "master"? But what honor could be willingly paid to the squatters of New Zealand, many of whom are never happier than when intoxicated - never more miserable as when they have been prevented from defrauding the poor man? Is it the squatter class that calls the poor working man a "clod"; is it the squatter class that call him a drunkard, and his wife a vagabond. Is it the squatter who libels the digger, whose industry has given thousands of pounds to the revenue of the Colony. The squatters bribe the lawyers with cash and with employment, and they bribe the clergy with flattery and patronage. They treat their own men as their own men would not treat their dogs. The sheds these men sleep in would not be fit to shelter the dirtiest brute. A pig-stye is the nearest resemblance to the majority of squatters' huts. As to vice and crime, this class exhausts the catalogue of social errors. People may think we exaggerate, but a
habitual attendant of the law courts will perceive that the advance of the sheep class is suggested by a gross or mean dishonesty. They cheat their poorest servants and litigate about solitary shillings and sixpences. As a class they are not mannered. They rear up no children lawfully upon the soil, consequently have no patriotism. They are merely birds of passage - here today and off tomorrow. When they leave they take with them the fat of the earth, and leave nothing in its place. Here, then, we have ample cause for gloom. The energetic young man of family cannot get a farm. He may seek but it is not to be had. The squatter has the best agricultural land and consequently the farmer has it not. Is there a good stream in a country district? - the squatter's run encloses it. Do cows graze upon the run? - they are impounded by the squatter. Is land wanted for a church or school? Committees get it only by selling their votes to the squatter. His house is a bare house destitute of luxury, for his luxuries are reserved for orgies in the city. This is the man who elects a FOX, a VOGEL, a MACANDREW. This is the class whose silent presence effects such apparently magic discrepancies between the candidate's promise and the member's vote. This is the great squatter class to whom the Colony is bound hand and foot, and who contemplate perpetuating our slavery by a gigantic scheme of bribery and corruption.
Echo. 14 October 1871.

A BRIGHT PARTICULAR "STAR"

Thou lingering star, with lessening ray,
That loves to great Vogelic day
- Burns paraphrased.

THE [Evening] "Star" is a Conservative. It wants no changes. It is dull and respectable. It wishes everyone else to be dull and respectable. It believes in old institutions - in two great classes - in a gentry rolling in wealth - in a pauper class standing still in poverty. If the "Star" had its will, the digger would touch his ragged cap to the squatter - the squatter would, metaphorically, put his iron heel on the neck of the digger. Had the "Star" its way, the farmer would just grow as much wheat as would make bread for the squatter's family - as much oats as would feed the squatter's horses. Had the "Star" its way, we poor folk would not be allowed to have our way. The "Star's" class is made of porcelain, and of China and crystal; we, poor farmers, and diggers, and mechanics are made of mud, thatch, straw and delft. The "Star" is an autocrat - we are democrats, we live by hard labor from dawn to dark. The bright particular "Star" lives cleanly, wears purple and fine linen, goes to a very orthodox church and doesn't the poor. This is the "Star's" logic - the digger may still be a digger - there is no room for him. He must wander. He must not marry and have a wife, home and children. He may look at the merchant's happy wife - at the squatter's happy wife and family - at their rich English or Colonial homes bought by the fat of God's land, robbed from the poor man; but no! tho' his palate be excited by such sights, still he must be a wanderer, living from hand to mouth. It is true he travelled 16,000 miles. He stood the risk of shipwreck, and flew from England's aristocratic tyranny, from her crowded cities, from her unequal laws. He flew to broad acres and prospective content and settlement. But delusion awaited him here. Here there is no land for him. Here the capitalist class drain the cup of wealth to the very dregs, leaving not a drop of comfort for the man of muscle. Here is no room for socialistic principle. Here is no room for a community of goods. Here centralisation is a rampant as in London. Her all the learned proficients place all their talent at the beck and call of the wool lord. Here the friends of the poor are despised. Here wool wealth reigns supreme. Is this right? Is it correct that we should still give over the land,
practically, in perpetuity to a class of men whose cry is still "give! give"? Is it right that the lucky digger should look in vain for a piece of land whereon to rear up a home - a family? In the name of common sense, do we expect that a nation can be kept solely on the sale of even millions of bales of wool to men who will never see the colony? The runs are leased by Englishmen living in England, their agents are the banks, whose agents are the resident sheep managers who always manage by hook or by crook to get into the Parliament, and who, by working the political wires, keep certain prostitute journals in their pay by giving them advertisements. Thus is the poor man's inheritance sold to gratify the commercial covetousness of hireling newspapers who will print any lie, suppress any truth, insinuate any base design, provided the said publication, suppression and insinuation feathers its own dirty nest. The farmers are too apathetic, the miners are without organisation, the squatters are unscrupulous - so these three circumstances place the colony at the mercy of any designing knave, who, with "the people" on his lips, wishes to climb on their shoulders to place and pay, but once there, he kicks the humble ladder whereby the political charlatan has achieved the height of his political ambition.
NOTES ON THE CONSOLIDATION OF PROVINCIAL LOANS

The consolidation of Provincial loans in 1867 first drew attention to the BNZ's political power. At that time certain local bodies and the Provincial governments had borrowed over £2m and their debentures were at a considerable discount. The BNZ was interested in a substantial portion of this debt, including most of the Auckland provincial debt of £500,000. William Fitzherbert, the Colonial Treasurer, introduced a Bill enabling the government to take over these debts and replace them with a loan raised by the colony.

The controversy flowed from the terms on which the colonial government would acquire the provincial stock. In its original form, the Bill gave the government an opportunity to acquire provincial stock at its market value - i.e. below par. This measure passed as far as its second reading. Through Thomas Russell's intervention at its review by a select committee, Fitzherbert's Bill was altered so that the debentures were purchased at their nominal value. Russell's amendment was recommended by the committee and passed by the House notwithstanding the bitter opposition to its third reading and a written protest to the Governor by J.A.R. Menzies and others. As a consequence, the position of the BNZ was improved by £100,000.1

The implications of the various proposals are set out in detail in a letter to the Daily Southern Cross, a copy of which appears at the end of this appendix. This letter appeared under the pseudonym "Omega" but was probably written by T.B. Gillies. The author made several references to the political influence of the BNZ. He invited his readers to consider Thomas Russell's position:

He appears as representative of the holders of £400,000 worth of provincial debentures. Of these holders, the Bank of New Zealand was no doubt the largest - probably to the extent of £300,000 or upwards. Who his private constituents were we have no means of knowing. We will presume that no member of the Government or of the House was in the position of a constituent. The Bank at any rate was interested to the extent of at least half its paid up capital. In the

---

1 Parliamentary Debates, 30 September 1867, pp. 1182-1191; 1 October 1867, p. 1199. 'Omega', "The Consolidation of Provincial Loans", Hocken Library. Whitaker and Russell received £10,000 for their services to the Bank that session. Illustrated New Zealand Herald, 3 August 1869.
Bank the Premier is said to be (I know not) a considerable shareholder, and he is also said to be, or to have recently been, jointly interested with Mr. Russell in various speculations. In the House there are a considerable body of the shareholders of the Bank. The cooperation of the Bank would be of the utmost importance to the Government in their financial operations generally. There were a large body of Auckland members whose votes were essential to the existence of the Government, and who notoriously took their cue from Mr. Russell. He thus had at his command a very large power which might, if necessary, be brought to bear against the Government.

"Omega" considered that the arguments advanced in Russell's evidence could not explain the sudden change in the principles of the loan conversion:

... though there is no direct evidence that the "powers in reserve" - or, as it was known in the Assembly, "the power behind the throne," - was actually made use of, still I think the facts point to that alone as an adequate cause for the ultimate results.

The letter ended with the observation that:

[i]t is worth while considering if our colonial institutions are safe in the hands of representatives who can be driven like a team by powers outside the walls of Parliament, in the hands of a Government, which can be so influenced as to be led to abandon their solemnly announced policy for its very opposite.

The Piako Swamp affair in 1875-76 was a brazen piece of work. By a private arrangement with members of the "Limited Circle", Vogel undertook to sell them 60,000 acres of Waikato swamp land below the standard price for rural Crown land. The land, of course, was privately estimated by the buyers to be worth substantially more.\(^1\) Morrin sold his share to Studholme in 1878 for £38,000 - a profit of £30,000.\(^2\) The estate was valued at £200,300 in 1878.\(^3\) Vogel forced through the sale despite the manifest impropriety of disposing of land in this way.

---

1 Murdoch to Larkworthy, 16 February 1876; 11 March 1876. Larkworthy Papers.
3 Echo, 29 October 1881.
APPENDIX 41

SOME MEMBERS OF PARLIAMENT WITH FINANCIAL CONNECTIONS TO THE BNZ AND NZMACo

Edward Stafford held shares in the BNZ, NZMACo and New Zealand Shipping Company. At the instance of Thomas Russell, he was made a director of the NZMACo in 1879. D.L. Murdoch was unenthusiastic about the appointment. He believed Stafford had lost much of his earlier influence. ¹ Stafford and his brother, Hugh, borrowed considerable amounts from the Loan Company on the security of their various station properties. Hugh seems to have struggled with his obligations and may have been in difficulties before his death in 1880. The BNZ eventually bought his runs.²

Edward Richardson, a director of the NZSCo and Minister of Public Works in 1876-77 and 1884-87, owed large sums to the Loan Company. The directors of the NZMACo became nervous when, in 1879, his aggregate indebtedness crept up to £40,000.³ In the mid-1880s his ability to pay interest on advances from the BNZ was in question.⁴ Richardson’s health was poor and those who knew him doubted that he would be able to carry the worries of his business for very long.⁵

Colonel Brett was unable to pay interest on his advances from the Loan Company in 1877. At that time he owed the NZMACo £17,208 and the Company’s securities were valued at only £12,000.⁶ The Company took possession of George Lee's properties in 1870.⁷ H.R. Russell suffered the same fate in 1879.⁸ The Loan Company carried G.S. Whitmore through a period of difficulty in 1870 and subsequently provided him with funds to buy Morven Hills in 1874.⁹

¹ D.L. Murdoch to Larkworthy, 15 September 1878, Larkworthy Papers.
³ NZMACo Minutes, 26 June 1879.
⁴ Murray to Andrews, 15 September 1884; Murray to General Manager, 12 March 1885, BNZ Archives.
⁵ Brown to Thomas Curtis, 11 September 1880, J.E. Brown Papers, Micro MS 373-374, Alexander Turnbull Library.
⁶ NZMACo Minutes, 1 May 1877.
⁷ NZMACo Minutes, 4 November 1870.
⁸ NZMACo Minutes, 29 May 1879.
⁹ NZMACo Minutes, 28 April 1870.
Cracroft Wilson paid off a loan of £25,000 in 1878. He introduced the petition against the National Bank Bill in 1873.
APPENDIX 42

NOTES ON EDWARD WAKEFIELD

In 1874, Edward Wakefield disclaimed having any part in the Timaru Herald and it is rather difficult to date his appointment as editor. He was, at any rate, a bitter enemy of the BNZ and Vogel. Ritchie appears to have seen eye to eye with him on several issues, and published letters on the Central Otago Railway in Wakefield’s Evening Press in the 1880s. It is interesting to note that Roydhouse and Wakefield received financial assistance from the BNZ when they started the Evening Press in 1885. The Bank declined to increase their overdraft from £1,000 to £1,500 and the account was removed. Tolhurst, of the BNZ in Wellington, was angry that Wakefield was writing against the Bank in the Australasian under the pseudonym "Taniwha". He wrote of Wakefield, "I don't for a minute exaggerate when I say that he is not only unstable, but unsteady, and in all respects unworthy, and his private life would not bear examination."¹ Wakefield was a gifted and controversial politician. His ability as a journalist was well respected and the ODT maintained that he had built the Timaru Herald into a paper of national importance.²

---

¹ Tolhurst to Edward England, 10 June 1887, Bank of New Zealand Papers, MS1886-1889, Alexander Turnbull Library.
² ODT, 16 January 1885.
APPENDIX 43

NOTES ON THE OTAGO GUARDIAN

The Guardian was established as a morning paper in 1873. It claimed to have the largest proprietary of any New Zealand journal, although William Baldwin is sometimes said to have controlled it and George Turnbull reputedly had a considerable say in its running.¹ Vincent Pyke was the legal owner of the weekly Southern Mercury, which began six months later, but his backers remain obscure. William Baldwin was its editor till 1876, when he left because of political differences between himself and the majority of his directors.² He had recently taken £25,000 out of his partnership with John Roberts. Late in 1874 both papers were acquired by the Guardian Printing Company. The major shareholders in this concern included David Proudfoot (200); his son-in-law, George Fenwick (100; William Reynolds (100); George Turnbull (100); Henry Driver (100); and William Fraser (100).³ The Guardian company fared poorly against the competition of the Daily Times. After losing £2,000 over a six month period it was decided to wind up the paper.⁴ The plant of the two papers was eventually sold G.M. Reed and Fenwick, who appear to have been substantially financed by Proudfoot, with assistance from Robert Stout in the shape of a £1,500 guarantee and a bill drawn upon M'Landress Hepburn & Co for £2,354.⁵

¹ G. Scholefield, Newspapers in New Zealand, p. 178. New Zealand Times, 26 June 1875.
² Bruce Herald, 25 January 1876.
³ Company File 38, Hocken Library.
⁴ The ODT, on 30 June 1876, reported the loss as £8,000.
⁵ Mercantile Gazette, 6 May 1876. Stout to Proudfoot, 3 April 1878, Victoria University Library.
APPENDIX 44

NOTES ON ROBERT STANFORD AND STANFORD v THE LIQUIDATORS OF THE OTAGO DAILY TIMES & WITNESS COMPANY

Stanford brought his action against the liquidators of the Otago Daily Times & Witness Company to recover £1,100, a sum representing the £25 per share he had been paid above the price received by other shareholders. He had surrendered this money to the liquidators at the urging of his friends, but wished to have determined his entitlement to the extra amount.

Stanford was an unusual man - "very able but untrustworthy", in Hocken's opinion. The Vicar of All Saints Church, he devoted little energy to his calling, but spent most of his time in literary pursuits and in the company of Dunedin's small coterie of intellectuals. A visitor who attended one of his services was not uplifted by the experience:

There is a measured method in his words and action which imparts a cold, freezing tone to the service, and makes you feel as if you were gazing on a man who was performing a necessary task, not as a work of love but of duty... He presents you now and again with pretty flowers of rhetoric, culled from a cultivated garden, but in the chilly hands of the gardener they lose much of their sweetness... there are many persons in Dunedin who do not entertain a very high opinion of Mr Stanford.

Eventually his bishop and parishioners grew impatient of his neglect and he left the Church in October 1878 amid considerable bitterness. Stanford was a man of small means. His ODT shares were mortgaged to cover advances from Gillies and Street. He did, however, have some powerful friends, including Oliver, Murison, and Murison's brother-in-law, George W. Eliott; and Larnach, a special confidant. Larnach came to his aid with a £300 advance in 1884, when Stanford

---

1 Except where otherwise indicated, this appendix is based upon the *Morning Herald*, 20, 21, 24 December 1878.
2 See Hocken's marginal note inside the cover of Stanford's *New Zealand Magazine*, 1876, p. 8, Hocken Library.
3 *Bruce Herald*, 22 October 1875
4 *Morning Herald*, 2 October 1878.
had only his personal furniture to offer as security. While at All Saints, Stanford supplemented his stipend by writing leaders for the ODT. This work came to him from Murison, the editor, who was also one of his parishioners. As Murison’s health began to fail, Stanford started writing for almost every issue of the paper.

ODT & Witness shares had a nominal value of £100. Forty pounds had been called and they sold on the market for about £55. Stanford had bought Larnach’s shares and he and Murison owned a third of the company. This was sufficient for them to block the sale had they so desired. Driver began his negotiations in March 1877, offering £60 per share and refusing to reveal his principal. At an extraordinary general meeting, the shareholders agreed in principle to the sale but resolved to hold out for £75 per share. Many feared that Proudfoot was the unnamed buyer and stated they would not consent to the transaction if that were so. Chantry Harris, the paper’s shipping reporter, was of this view, but moved the resolution in favour of selling when Stanford told him, ”it would be worse for him under the new company if he did not consent”. The meeting broke up in disorder with Stout ”pitching into” Robert Gillies and Gillies furious that Stout, the company’s solicitor, had been so much in favour of the sale.

Stanford and Murison were clearly interested in selling, but made it known that they would not accept less than £100 a share, a quite exorbitant figure, which Driver could not afford to pay to all proprietors. Driver sought an ally in Gillies and met him to offer half his commission if Gillies would help win over the dissenting shareholders. He had badly misjudged his man:

"Driver, you must not speak to me about such a thing."
"Look here Gillies, you misunderstand me."

But Gillies did not wait for an explanation and hurried off to inform Stanford and Murison that ”there is devilment in this affair”. Larnach now intervened and suggested that Stanford and Driver should make some separate arrangement. The two men met and Driver found Stanford ”more curious than any woman to know who the purchaser was”. Money, however, was uppermost in Stanford’s mind. In a studied display of coolness he leaned back in his chair, swung his legs on a table and, with pipe in hand, told Driver: ”If the devil himself were to offer £100, at that price I would sell my shares.” Driver agreed to this figure and further offered that Stanford would be editor under the new owner. He had already guaranteed this

---

1 Mercantile Gazette, 5 July 1884.
position to Murison and was thus calculating on Murison's imminent death. As James Smith put it, Stanford was being offered "a dead man's shoes". The sale could now be clinched at £75 per share, with Stanford and Murison receiving the secret premium of £25.
The CONSOLIDATION OF LOANS.

Sir,—The discussion raised by Mr. Gillies's remarks at the Bank of New Zealand meeting the other night led Mr. Russell, Wood, and Russell Bennet, and you, my attention has caused me to look a little more carefully into the considerations; for the purpose of the Assembly than I had hitherto done. The more I have examined it, the more clearly does it appear to me that the four options of Mr. Featherston that it was "monstrously unfair" have been used as a fraud and "swindle upon the community," was not only an energetic protest against a wrong to the colony, but as well to the special fund, the land fund, and the public trust fund; and then contains elaborate provisions as to the mode of receipt and expenditure of these various funds, and provides numerous checks against the illegal expenditure of any of the public moneys.

With regard to the three last-mentioned funds, I shall not trouble you, they do not come into the question at present under discussion. The consolidated fund, however, which is defined to be (and in almost the same words) "exactly what the ordinary revenue of the colony was defined to be by the Ordinance Revenue Bill, Act, 1828, viz., "taxes, duties, rates, imposts, and public charges, fees, etc., exempting interior revenue;" the second mode was to exchange the consolidated fund for provincial debentures, which summarily declines, and it need not be further considered.

The fourth mode was to consolidate the provincial loans, and exchange public debts in accordance with the existing securities. In order that the colony may be fully paid for the public securities as so to cause the Colony to buy at a high rate—especially as he remarked, "We are engaged in business, and cannot always have the very offer of the Government," and that they are bound to give the provincial creditor the full benefit of the existing security, but at the same time not to give him a better security without requiring him to pay for the advantage in the most equitable manner, to the "governments of the province itself have been created.

In this proposal, as made by the Colonial Treasurer in his financial statement, I can find no trace of that which has since been so freely attributed to it—namely, an intention on the part of the Government, first, "to damage the position of the bonds by altering the security," and then to lay up. On the contrary, the statements of the Colonial Treasurer are absolutely just, and he has endeavoured to give the provincial creditor the full benefit of the existing security, but at the same time not to give him a better security without requiring him to pay for the advantage in the most equitable manner, to the "governments of the province itself have been created.

For as far as the financial statement was concerned, the Government proposal was fair and just, and not open to the wild charges of "provincial debenture holders," as some were, and made against it. But I will say this will be the speech of the Colonial Treasurer to be read by the light of the bills which were introduced to carry it into effect, and that the necessary effect of the bills would have been to have damaged the bonds, by altering the special fund. If the Government proposed to give the provincial creditor the full benefit of the existing security, but at the same time not to give him a better security without requiring him to pay for the advantage in the most equitable manner, to the "governments of the province itself have been created.

In this regard, the bills and the financial statement together, these bills did not practically carry out the provincial proposition probably through inexperience. But these decisions to that might easily have been obrained in a variety of ways, that suggested by Mr. Russell in his memorandum being perhaps the simplest way, viz., by a clause in the bill declaring the "ultimate liability of the colony" for all provincial securities, and its right to meet their engagements. This would have given the Government the right to sell its non-convertible or non-transferable debentures, for whatever may have been the strict legal liability of the colony, in the event of that liability being enforced, not to have to choose to sell or convert the same security as it was previously free to do with respect to any other debenture, for what I have said of such a declaration would therefore simply have been a declaratory of general and practical liability into a legal one.

Besides the defects already referred to in these remarks, there is also the question of purchase at market rates of provincial securities; should such a large fraction be purchased in bonds, which "would lead to "expulsion of unfairness and partiality very difficult to discover." No doubt many good men of unfairness and partiality themselves are prone to advantage of the moment, and the result of disapoy will satisfy a suspicious mind. But I apprehend there was a position; it would be able to "change of order," which the Public Revenue Bill provided that the "ordinary revenue of the colony was defined to be by the Ordinance Revenue Bill, Act, 1828, viz., "taxes, duties, rates, imposts, and public charges, fees, etc.," excepting interior revenue.

This half also applies amongst other Acts of the Ordinance Revenue Bill, the Surplus Revenue Acts of 1828: of this I shall have more to say hereafter. The Consolidated Loan Act was passed for the purpose of passing the proceedings of the Government to the state of the colony. The Public Revenue Bill was passed for the purpose of passing the Public Revenue Bill and the Consolidated Loan Act. 'Russell thereto referred and your remarks have caused the passage of the Consolidated Loan Act. The Public Revenue Bill was passed for the purpose of passing the Government to the state of the colony. The Public Revenue Bill was passed for the purpose of passing the Public Revenue Bill and the Consolidated Loan Act. The Surplus Revenue Acts of 1828: of this I shall have more to say hereafter.
up capital. In the view the Treasurer is said to be (I know not) a considerable shareholder, who he is said to be, or have recently been, jointly interested with Mr. Russell in, and the House there there are a considerable body of the shareholders of the Bank. The resolution of the Bank would be of the utmost importance to the Government in their financial operations generally. There were a number of Auckland merchants whose votes were essential to the existence of the Government, and the note drawn to take one from Mr. Russell. He had at his command a very large power which might, if necessary, be brought to bear against the Government. Let us see whether his argument dispensed with that power or the power in reserve.

Now let us observe what was proposed, and what was done.

The original financial statement proposal was a voluntary purchase and exchange of provincial for colonial securities. By this course, the colony or the province would have been admitted to the extent of the difference between par and the prices under par at which the provincial bonds could be exchanged for colonial. The total provincial loans aggregated £39,159,000, say two million pounds. If the whole of these 3;ms. had been bought in at par and exchanged for colonial, the total provincial loans would have been reduced to £39,159,000, say two million pounds. In fact, the loan sold only at 62. If, however, it were placed on the market above par, as it probably might have been, the exchange would have been proportionately greater. That the provincial loans could have been bought or exchanged at a premium of less than 6 per cent. discount, i.e. £0.40 on £100, where there would have been a benefit to the colony of at least £1,000,000, if not £2,000,000, in the exchange of provincial for colonial, on the principle that it is more convenient to hold security on the provincial than on the colonial loan.

It is proposed that the provincial loan should be sold at 6%, and the colonial loan made 5% premium. This would give the government a net gain of £50,000, and a colonial bond holder a net gain of £50,000. The colonial loan holders, however, have been already the subject of a treaty, and, in the words of the treaty, the Government have guaranteed their interest by paying 5% premium. The Government have ignored this position by their present proposal, and it is now proposed to pay 5% premium on the provincial loan instead of 5% on the colonial loan.

The general position is improved by the guarantee of the immediate payment, while asking him to pay the 5% premium on the provincial loan article is just as the bond so purchased is actually worth the 5% which he is asked, upon the par, to pay for it. It may be justified on the ground that the security is called on to pay the 5% for a different purpose, and that, with the money thus held, the public can be better served.
Some impression of the relative importance of the shippers mentioned in Volume One may be gained from statistics compiled by Ritchie for the wool season ending July 1876. That year, Galbraith's eleven ships carried 40,000 bales of wool, 34,600 bags of wheat, 200 tons of tallow, 50 tons of oil and 34,260 ounces of gold. The shippers were:

<table>
<thead>
<tr>
<th>Shipper</th>
<th>Bales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell Ritchie &amp; Co</td>
<td>15,000</td>
</tr>
<tr>
<td>Cargills</td>
<td>11,930</td>
</tr>
<tr>
<td>Joseph Clarke</td>
<td>911</td>
</tr>
<tr>
<td>Murray Roberts &amp; Co</td>
<td>4,570</td>
</tr>
<tr>
<td>James Rattray &amp; Co</td>
<td>2,488</td>
</tr>
<tr>
<td>Wright Stephenson &amp; Co</td>
<td>1,564</td>
</tr>
<tr>
<td>MacLean Bros.</td>
<td>255</td>
</tr>
<tr>
<td>Sundries and Southland shippers</td>
<td>3,225</td>
</tr>
</tbody>
</table>

Source: Russell Ritchie & Co Letterbook 1876, p. 70.

1 Clarke's clip was estimated at 2,000 bales in 1878. NZLMACo Minutes, 19 November 1878.
The New Zealand Shipping Company and Dalgety & Co despatched five ships carrying 16,749 bales of wool and 9,000 bags of wheat. The shippers were:

<table>
<thead>
<tr>
<th>Shipper</th>
<th>Bales</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZLMACo</td>
<td>3,792</td>
</tr>
<tr>
<td>Robert Campbell</td>
<td>3,499</td>
</tr>
<tr>
<td>Dalgety &amp; Co</td>
<td>4,908</td>
</tr>
<tr>
<td>Shipping Company at Timaru</td>
<td>1,017</td>
</tr>
<tr>
<td>(with Miles &amp; Co)</td>
<td></td>
</tr>
<tr>
<td>H. MacDonald</td>
<td>901</td>
</tr>
<tr>
<td>(financed by NZLMACo)</td>
<td></td>
</tr>
<tr>
<td>Wright Stephenson &amp; Co</td>
<td>440</td>
</tr>
<tr>
<td>(Edward Menlove's clip)</td>
<td></td>
</tr>
<tr>
<td>Miles Archer &amp; Co</td>
<td>861</td>
</tr>
<tr>
<td>Sundries</td>
<td>1,331</td>
</tr>
</tbody>
</table>

Source: Russell Ritchie & Co Letterbook 1876, p. 70.

Ritchie explained that the Loan Company's quantity was made up of Timaru wool and "Big" John McLean's clip - "which the monster took away from Cargills this year."
LETTERS CONCERNING THE NEW ZEALAND SHIPPING COMPANY

ODT, 13 April 1874.

NEW ZEALAND SHIPPING CO.

In connection with the lately-reported combination in London to raise the rates of freight on produce from New Zealand to London, and remembering that "cheap freights" was the argument used when the above Company was being floated here, I have been exercised lately as to whether there has not been a good deal of dust thrown in the eyes of the public in connection with the Shipping Co.

I find that at a meeting of the New Zealand Loan and Mercantile Agency Company in London, the chairman reported that the Company had taken shares in the Shipping Co., "In order to consolidate their consignment business." I also happen to notice that the Board of the Shipping Co. in Christchurch has a strong Bank of New Zealand element in it. And I am still more exercised about the matter altogether, as I cannot get my wheat carried at 45s per ton, whereas several other shippers have their arrangements made at that price.

I relieve myself by suggesting to the public of Dunedin that there has been some dust thrown into their eyes, and possibly is still being shaken over them. I am &c,

WHEAT SHIPPER.
It is very unfair to investors that the late report and balance-sheet of this Company should go forth unchallenged, and supported by all the influence of the Chairman and Board of Directors, whose names must carry weight in the colony. The Company is quoted as a regular dividend-paying concern, whereas I maintain that it has no more right to pay a dividend than any concern whose profits, estimated by the ordinary rules of prudence, do not cover outgoings. There are several items open to criticism in the balance-sheet, as, for instance, the taking credit for unearned freights; the insurance fund, which has to meet the Hurunui's disaster, and, at the same time, stand possible losses among the ships, all of which are, I suppose, now uninsured. But the one item of depreciation, which has never been provided for by this Company, is enough to prevent men from speaking of a dividend, if properly considered. I believe most of the Company's fleet have been three and four years in their hands, and their ships are 22, 14, 9, 4 and three years old. Calculating that five per cent. per annum is a fair rate of depreciation for such property, I find that about 16 per cent. ought to be written off at this balance. This amounts to the respectable sum of £53,000, and exceeds the present reserve fund and the two dividends by several thousand pounds. I am, therefore, surely justified in stating that the Company have no right to take a dividend, and if the above mode of stating accounts is correct, they can only take it by borrowing or trenching on capital. I leave unconsidered the fact that their fleet stands at £20 per ton, or £120,000 more than a sanguine estimate of their present value, and a sum equal to the Company's capital. This is their great misfortune, but one which should make them hesitate before dividing profits, even if legitimately earned.

I repeat, in conclusion, that it is grossly unfair that, under the circumstances of the Company, some of which I have stated above, it should be quoted as paying eight per cent., and derive the benefits arising from such a quotation. I know of a case in which the shares were bought solely on that, and while I do not say that these are not a good investment, as shipping property may very quickly recuperate, as it has become exceptionally depreciated, yet I feel that it is not creditable that a local institution should sail under false colours, and one which has all the kudos of sailing under the direction of the Manager of the Bank of New Zealand, and several of the leading merchants of Christchurch.

INVESTOR
APPENDIX 47

LETTERS TO THE OTAGO GUARDIAN CONCERNING THE BNZ

The Otago Guardian, 6 February 1875.

THE GOVERNMENT BANK ACCOUNT.

SIR, - Mr. Purnell deserves approbation and support in calling public attention to the very unsatisfactory way in which the New Zealand Government account is worked at present through the Bank of New Zealand. The question is a much broader and a more important one than merely whether the other colonial banks shall have a share of the business or not. The absolute secrecy which has been maintained for years as to the details of the conditions upon which the account is held by the Bank of New Zealand must not only cause doubts of these being so satisfactory as they ought to be, but also suspicions of their being fit to undergo public criticism. Broadly, it must be the case that a thoroughly solvent and remunerative account will always secure better terms by being open to competition than if monopolised as that of the Government is, and the public have a right to know what are the advantages secured by the present arrangement, if there are any; and, if there are none, why the present arrangement is continued.

It will be apparent to all engaged in business in the colony that there are special circumstances connected with the Bank of New Zealand which increase the impropriety of the present arrangements for the Government account. During the past six or seven years an extraordinary collection of mercantile agencies have grown like parasites round the bank, so that at present one has only to walk into any of its branches to be able to get any possible kind of business transacted. To begin with the New Zealand Insurance Company, though it has separate agencies and establishments, it is sufficiently identified, through its Board and traditions, to be classed among the parasites; and if I mistake not, there was some notice taken in the House of Representatives during a late session of the expensive way in which some Government business was transacted by the Company, which led to its insurance business being given to, or at least shared with, another company. Then the Loan and Mercantile Company is closely identified with the bank. This company transacts all kinds of business, both in the colony and in London, and
does not decline anything, from selling sausageskins here to selling the largest clips of wool in London. It also speculates or invests in ships and railway contracts, and was fortunate lately in securing a site at Port Chalmers, literally in the middle of the railway terminus, where their store occupies the best part of the limited ground at the terminus, and squeezes the Government to the very edge of the Bay with their line of railway. The Shipping Company, which let their shareholders in for a loss of £15,000 to £20,000 last year, is only so far identified with the Bank as may be gathered from the fact that the Loan Company is a large shareholder in it, that its Board in London and Christchurch is largely composed of "Bank of New Zealand men" (a description well known to most mercantile men in the colony), and that it is generally supposed to have been enabled by the Bank of New Zealand's assistance to acquire about £150,000 worth of property with only £50,000 of capital.

Such a collection of interest clustering round and growing upon the bank must draw sustenance from the parent stem; and it is clear that they cause much risk of the public business being diverted into channels where absence of competition prevents, or may prevent, the cheapest terms from being secured. To my own knowledge, these various hangers-on have caused the withdrawal from the bank of many first-class commercial accounts. Business men find it impossible to continue to do their business with the bank in many cases, and when this class of the community experience such a disadvantage, it more than probably exists in the transaction of the public business as well.

It by no means follows that, because the Bank of New Zealand has so widely-ramified interests and connections, it cannot properly transact the Government business; but in my opinion, it does follow that it ought not to enjoy the monopoly of it, and should only have its fair share, the terms of which should in all cases be accessible to the public. Mr. Purnell is quite right in supposing that private influence will have no weight with the Government, and I hope that the subject may now be so well ventilated as to evoke a strong expression of public opinion upon it. The numbers and influence of the shareholders of the National and Colonial Banks will have weight in this direction, and if they assist in any way to alter the present unsatisfactory state of matters they will confer a public benefit. - I am, &c., X.
The Otago Guardian, 9 February 1875.

THE BANK OF NEW ZEALAND AND THE GOVERNMENT BANK ACCOUNT.

SIR, - In your issue of Saturday is a letter on the Government Bank account with the signature of "X." Now, sir, after reading that letter says I to myself "fair play is a jewel," but this letter, either through ignorance or wilful misrepresentations, is characteristically unfair, and it is a duty I owe to the public, at all events those I represent, to place the matter in its true light; and in doing so I would ask a short space in your columns.

In the first paragraph of "X.'s" letter he says:- "The absolute secrecy which has been maintained for years as to the details of the conditions upon which the account is held by the Bank of New Zealand must not only cause doubts of these being so satisfactory as they ought to be, but also suspicions of their being fit to undergo public criticism." This is a grave charge against the Government, and is totally incorrect, or shall I say untrue. But where there is a purpose to serve, as the writer evidently has, "'tis folly to be wise." But to show his blissful state of ignorance, I would point out that in the year of grace 1873 a return was made and presented to both Houses of the General Assembly by command of his Excellency, and which states the terms of the banking arrangements of the Government with the Bank of New Zealand very particularly and in detail:- 1. Colonial account. 2. London account. 3. Overdrafts. 4. Remittances. In these the rates of interest respectively charged or allowed by the bank are plainly stated, and are followed up by the general provisions, viz: - The bank to be the bankers for the Government until the arrangement be determined by six months' previous notice. All balances belonging to the Government are to be kept at the Bank of New Zealand.

This memorandum is dated August 2, 1873, and appears in vol. 1 of the "Appendix to Journals of the House of Representatives," with several other returns on the same subject, which I would recommend "X." to peruse - or probably you, Mr. Editor, would give the public the information "X." apparently lacks by reprinting the terms of account in your columns.

It is not for me to enter into any controversy regarding this or that bank; surely there is room for all without detracting from the merits of a local establishment which, to my knowledge, has benefitted New Zealand, and Otago particularly, very much indeed. I would only point out that the inferences drawn from its connection with other useful institutions in New Zealand are very unfair.
1. The New Zealand Insurance Company was in existence some time before the Bank of New Zealand, and I should suppose that the account of the Insurance Company has not been a bad one for the bank. 2. The Mercantile Loan and Agency Company "is closely identified with the bank." Why should it not be, when many of the shareholders in it are likewise shareholders in the bank? Are there not the Otago and Southland Investment and the Otago (now the national) Bank, also the Trust and Agency Company of New Zealand and the Union Bank, in the same position to each other? 3. The Shipping Company. Why should it be a fault that its board is composed largely of New Zealand men? All I have to say, sir, is that this is purely a New Zealand company, and that they are entitled to support. If they have met with a loss, it is from the opposition that was shown by foreign shipowners and their agents, more particularly in Otago, who attempted to run them down to earth, and continue the huge monopoly in the hands of one or two merchants in Dunedin, for the benefit of foreigners. The company's loss, however, has been the public's gain, in rate of freights.

However, I am done, and all I have to say further is that I have not the slightest interest, in the shape of shares, in the Bank of New Zealand (to my loss), but have some little interest in another local institution. I say the letter is an unfair one, and either ignorantly or wilfully so, and I only criticise it because I consider "fair play a jewel." I am, &c.,

A MEMBER OF THE HOUSE OF REPRESENTATIVES.
The Otago Guardian, 10 February 1875

Your correspondent, "A member of the House of Representatives" takes me to task a little severely for my letter to you of last Saturday. I should not like to insinuate that he is one of the "Bank of New Zealand men." I shall only say that many M.H.R.s can be classed in that category, and who have no interest in the bank, and who have interests in other local institutions. The delightful precipitance with which your correspondent, loftily disregarding all reference to public interests in the matter, throws himself into the breach with brandished sword and visor down, to do battle for the Bank of New Zealand and its parasites, is suspicious. Ex pede Herculem.

It is probably superfluous, but at the risk of trespassing upon your good nature I remark that I did not call in question the right of the Bank of New Zealand to attach to itself its parasites. Unquestionably the Insurance Company's has been a good account for the bank, and vice versa. The Loan Company has a perfect right to be closely identified; and if the Otago and Southland Company had a similar connection with the National Bank, or the Trust and Agency Company with the Union Bank (neither of which has, however, in the remotest degree, beyond, possibly, keeping their accounts with the banks named), they also have a perfect right to it. It is no fault that the Shipping Company is in the same boat. By all means let them continue to save the country from destructive monopoly, and keep rates for freight low for the public, though what they have done is to form a still stronger monopoly, as a three-strand rope is stronger than a double-strand one, and the gain they have brought is to a few directly advantaged, at the expense of the misguided public who took shares.

What I did say was that these widely ramified interests made it highly improper that the Bank of New Zealand should have a monopoly of the Government accounts, and this I now reiterate and maintain. I assert that many of the public have found it impossible to conduct their banking business with the Bank of New Zealand - either because advantage was taken by the Bank, through its knowledge of their business, to compete with them, or because usual facilities could not be had, owing to some one of its parasites being engaged in the same kind of business, or from some other like cause; and I re-assert that disadvantages which are experienced by the business public may also prevent the conduct of the public business on the best terms.
My "blissful state of ignorance" does not, I am happy to say extend to the "appendix to Journals of the House of Representatives" to which your correspondent refers, as the information which he makes public I am acquainted with. But it stops short of what the public requires, and which, I believe (though I am open to correction on this point), was asked for in the Assembly, and not obtained. Your correspondent is aware that, while the terms upon which the public money is manipulated are given in all clearness, the mode of its being obtained is not so clearly given. There are such things as Treasury Bills, which are sometimes more or less "sweated" in the process of conversion into coin, according to the state of the money market, &c.; and I believe I am correct in stating that it is in the temporary accommodation which is necessary that it would be well to have more open competition, and less secrecy. The aforesaid "Appendix" also reveals a good many complaints of interest not allowed, on the part of the Government against the bank; and there is little doubt that inquiry would only confirm what is a widespread opinion, that matters should not remain as they are at present. The difficulty is to alter them. There are "wheels within wheels"; and compact phalanxes to guard jealously present interests. The citadel can only be stormed by a simultaneous rush of public opinion pronounced unmistakably.

I cannot close this letter without expressing amusement at your correspondent's use of the word "foreigners." His patriotism evidently burns with only local or colonial fire. Our Mother Country is a foreign land to him. I may inform him that in that country even Americans are not called foreigners, still less New Zealanders. I fear, from the whole tenor of his letter, his views are very contracted. - I am, &c.,

X.
SIR,- If Mr Bridges' conduct in giving evidence against a bank of which he was formerly a servant is open to criticism, what must be said about the *New Zealand Herald*'s tirade against Mr Bridges, seeing that the sole proprietor of the *Herald* is a director of the Bank of New Zealand? It is on a par with the *Herald*'s conduct towards Sir George Grey. Having taken the lead in inviting him to enter upon New Zealand politics, it deliberately threw him overboard as soon as he began to stir up those queer land transactions at which the public have lately been more astonished than delighted. Its reasons for doing so will be apparent on reading the speeches and report made on those interesting matters. I am, &c, Watchman.
It appears to me that both you and your morning contemporary are falling into much the same mistake as Mr Bridges has done, in speaking too freely and prematurely. I am not going to justify him in the position in which he has placed himself, but it is dangerous to shout before one is out of the wood, and it seems to me that those who are so jubilant now at Mr Bridges' discomfiture should be careful, and wait until the Select Committee are done with him. You are very careful not to criticise what he has told without being challenged. He has proved that the Government acted directly to the public prejudice in their arrangement with the Bank of New Zealand for the deposit of the late loan money, and has also exposed sundry negotiations between them and the Weld Government. We all know how difficult it often is to prove absolutely what at the same time no one has any doubt of being the truth; and it seems to me that, in view of the revelations of the Tairua, Ohinemura, and Piako Swamp affairs, and of the uncontradicted and unshaken evidence given by Mr Bridges, the public should be glad that anyone is bold enough to say so much as he has said. It must do great public good, however much opinion may be divided as to Mr Bridges' action in the matter; and, to my mind, it is a fair case, if there are any such, of the end justifying the means. It has been freely stated that no one in the Assembly but Sir George Grey would have been bold enough to probe as he has done several grave political scandals, and if such is the case, he is deserving of credit for doing so. All of us have our own characteristics, and one of Mr Bridges' seems to be that of saying a little too much. But that is better than being afraid to say anything at all; and it is within my knowledge that he made public statements here, reflecting seriously upon men who hold their heads high among us, which were allowed to pass without any attempt at denial or disproof (at any rate up to the present time). But, in spite of this, which brought a hornets' nest about Mr Bridges' ears, the present case in Wellington may possibly have an analogous ending, and it would be well to wait its close before criticising matters too confidently. I am, &c., X.

[Our correspondent is a courageous man. He cannot, indeed, defend Mr Bridges' recent action before the Select Committee, but he commends his Dunedin escapades, which were followed by social ostracism and public contempt. A friend in need is a friend indeed - Ed O.G.]
MR. BRIDGES

SIR, - Will you allow me to make two complaints against you in reference to my letter which appeared in your columns to-day? First about the punctuation which is execrable and inexcusable, and nearly destroys the sense of my paragraphs: second about your note which is perfectly excusable and proper, but which is hardly fair to me.

As I did not seek to defend the position in which Mr. Bridges has placed himself in at Wellington before the Public Accounts Committee, neither did I defend his action when in Dunedin. I merely stated that he made charges of dishonourable conduct against individuals in Dunedin, and I sought to argue that as these had not been disproved or cleared off by those against whom they were made, the presumptions stood good that, however much Mr. Bridges might be open to reprobation for the way in which he made his charges, there appeared nevertheless to be some truth in these, or they would at once have been refuted, and I maintained that if an analogous result came of his statements in Wellington, great public advantage would be gained by them.

I shall only add that it appears to me that more might be said of the society which ostracised, and the public which poured out its contempt in the circumstances which I have alluded to above, and which are well known in town, than of the victim of their ostracism and contempt, who many people think has rather the best of it. - I am, &c., X.

[Our correspondent thinks better of it, and will not defend Mr. Bridges' Dunedin escapades, but is of opinion that this [sic] statements should be disproved. Personalities are generally met by pulling the nose of the man who makes them, or treating them with silent contempt. A sensible man adopts the latter course; a fool the former. Our correspondent has omitted one very important matter in the above - that is the name of the writer of the letter. ED. O.G.]
### APPENDIX 48

**SHEEP LOSSES ON OTAGO AND SOUTHLAND RUNS**

<table>
<thead>
<tr>
<th>Names</th>
<th>Sheep Lost</th>
<th>Out of</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Rogers</td>
<td>22,000</td>
<td>45,000</td>
</tr>
<tr>
<td>D.A. Cameron</td>
<td>10,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Charles Ibbotson</td>
<td>26,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Hugh McIntyre</td>
<td>12,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Strode &amp; Fraser</td>
<td>7,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Stewart &amp; Hawsburn</td>
<td>13,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Loughnan</td>
<td>12,000</td>
<td>40,000</td>
</tr>
<tr>
<td>J.F. Kitching</td>
<td>30,000</td>
<td>100,000</td>
</tr>
<tr>
<td>H. Campbell</td>
<td>20,000</td>
<td>50,000</td>
</tr>
<tr>
<td>The Hon. R. Campbell</td>
<td>33,000</td>
<td>60,000</td>
</tr>
<tr>
<td>James Gall</td>
<td>15,000</td>
<td>32,000</td>
</tr>
<tr>
<td>John McLean</td>
<td>4,500</td>
<td>17,000</td>
</tr>
<tr>
<td>Vendors to NZ Agric. Co</td>
<td>35,000</td>
<td>165,000</td>
</tr>
<tr>
<td>Ellis Brothers</td>
<td>8,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Dalgety &amp; Co</td>
<td>15,000</td>
<td>130,000</td>
</tr>
<tr>
<td>D. McKellar</td>
<td>10,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Duncan Gillanders</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>A.K. Hambrough</td>
<td>half flock</td>
<td></td>
</tr>
<tr>
<td>Thornhill Bros</td>
<td>6,000</td>
<td>13,000</td>
</tr>
</tbody>
</table>

Source: NZLMA Co Minutes, 19 June and 1 May 1879.
APPENDIX 49

THE QUANTITY AND VALUE OF THE AUSTRALASIAN WOOL CLIP FOR EACH OF THE YEARS FROM 1872 TO 1888

The left-hand segment of each year's graph shows the number of bales produced, as indicated in relation to the scale on the left.

The right-hand segment of each year's graph shows the average value of each bale produced, in relation to the scale on the right.

The prices are probably a declared value for customs purposes rather than the price realised at market.

Source: Otago Witness, 2 January 1890, p. 7. (The figures were originally compiled by the Melbourne Leader.)
APPENDIX 50

RUN AND ESTATE HOLDERS IN FINANCIAL DIFFICULTIES AFTER 1878

1 Aitkin, Robert

Forced off his run in 1882 (date uncertain).¹

2 Ashbury, James

Foreclosed.² Merivale taken over by the Southland Estates Company by 1888.³

3 Barnhill, Thomas

Penniless by 1879.⁴

4 Basstian, Christopher

Apparently in difficulties by the late 1880s. Basstian left an estate worth only £2,842 when he died in 1895 and Dalgety & Co took over Dunrobin station.⁵

5 Boyes Brothers

Foreclosed 1886.⁶

6 Brown, J.G.

Foreclosed by NZLMACo in 1879.⁷

² "Southland Clippings", p. 149.
³ Otago Witness, 9 November 1888.
⁴ NZLMACo Minutes, 27 March 1879.
⁵ Probate File 598, Invercargill High Court.
⁶ NZLMACo Minutes, 4 August 1886.
⁷ NZLMACo Minutes, 1 May 1879.
7 Buckland, J.C.
Foreclosed 1887.¹

8 Butement, John
Foreclosed 1888²

9 Campbell, Henry
Insolvent by 1887.³

10 Cargill and Anderson
Insolvent by 1888.

11 Comber, J.C.B.
Insolvent at the time of his death in 1880.⁴

12 Creighton, John
Bankrupt 1886⁵

13 Cuthbertson Brothers
Forced off their property between 1879 and 1885.⁶

¹ NZLMACo Minutes, 12 January 1887.
² NZLMACo Minutes, 13 June 1888.
³ Ritchie to Grenfell, 8 February 1887, Ritchie Papers.
⁴ AAEC 638/94, National Archives.
⁵ Mercantile Gazette, 5 June 1886.
14 Fraser, William

Insolvent by 1884.1

15 Hambrough, A.H.K.

Foreclosed 18792

16 Hill, Thomas Coke

Foreclosed 1884.3

17 Hodge, John Ambrose

Bankrupt 18864

18 Howden, Fraser and McGregor

Estates taken over by NZLMA Co during the mid-1880s. (See text.)

19 Humphreys, E.W.

Died insolvent in 1892.5

20 Kirke, John Ambrose

Bankrupt 18866

---

1 Murray to the General Manager, 10 April 1884, General Manager Series, Bank of New Zealand Archives.
2 NZLMA Co Minutes, 17 November 1886
4 Mercantile Gazette, 6 February 1886.
5 Probate File 2205, Dunedin High Court.
6 Mercantile Gazette, 6 February 1886
21 **Kitching, John Fry**

Unable to service his debts and became impoverished.¹

22 **Maben, James**

Sold up by Otago & Southland Investment Company in 1880.² Bankrupt 1886³

23 **McArdell, J.O.**

Foreclosed by NZLMACo. Bankrupt 1886.⁴

24 **MacIntosh, James**

Foreclosed by the British & New Zealand Mortgage & Agency Company. "At the close of his life he broke up completely."⁵ MacIntosh's probate file reveals that he was bankrupt at the time of his death in 1887.⁶

25 **McKellar, John**

Bankrupt 1883⁷

26 **MacKenzie, J. Scobie**

Questionable solvency. Owed £24,772 in 1887; securities valued at £25,000.⁸

---

² NZLMACo Minutes, 23 December 1880.
³ *Mercantile Gazette*, 29 May 1886.
⁴ *Mercantile Gazette*, 4 September 1886.
⁵ *ODT*, 12 May 1887.
⁶ Probate File 682, Invercargill High Court.
⁷ *ODT*, 6 May 1885.
⁸ NZLMACo Minutes, 29 June 1887.
27 Matheson Brothers

Foreclosed 1879.1

28 Miller, Walter

Bankrupt 18842

29 Orbell, Henry

Apparently insolvent by 1887.3

30 Ostler, W.H.

Lost his run by foreclosure in 1879. The NZLMACo lost £3,000 by his account.4

31 Proudfoot, David

Bankrupt 1885.5

32 Raymond, Capt.

Insolvent by 1880.6

33 Rich, F.D.

Insolvent by 18887

---

1 NZLMACo Minutes, 7 August 1887.
2 Mercantile Gazette, 5 July 1884.
3 Mercantile Gazette, 5 July 1884.
4 NZLMACo Minutes, 2 September 1880.
5 ODT, 21 April 1885.
7 "Special Report on Unproductive Capital", NZLMACo, Alexander Turnbull Library.
Appendix 50

34 Roberts, Fitzclarence

Bankrupt 1879\(^1\)

35 Taylor, Robert

Foreclosed by NZLMACo. Insolvent by late 1880s.\(^2\)

36 Thornhill Brothers

Foreclosed in 1881.\(^3\)

37 Tolmie, Donald

Bankrupt 1881\(^4\)

38 Wayne, Frederick and Leary, Richard

Foreclosed 1886.\(^5\)

---

1 Mercantile Gazette, 30 August 1879.
3 NZLMACo Minutes, 5 September 1881.
4 Insolvency File 887, 8 August 1881, Dunedin High Court.
5 NZLMACo Minutes, 3 February 1886.
APPENDIX 51

J.M. RITCHIE LETTERS CONCERNING ECONOMIC CONDITIONS

Ritchie to Davidson, 31 May 1880

At present land, at any rate in Canterbury, is absolutely a drag. How or why I hardly know. But I suppose a combination of want of money, want of inclination to acquire, & the impossibility of all at once coming down from our late exaltation to such figures as will meet the views of buyers - No doubt special circumstances have a good deal to do with the present utter collapse - but yet we find that in Southland & other places where values are more reasonable land can be sold & there are buyers about if they can be brought to see value - This makes the entire collapse about Timaru District the more serious - for it shows that the feeling is that land there is much too dear. And, putting aside all the present depression, I feel sure it is & that nothing will ever make it worth anything like people's late values, except because of population - cheapening of money, or another season of temporary insanity such as we have just passed thro! There is nothing in what you can make out of land to raise the values much above one half of what they have been. I don't think I told you that I sent Calcutt to value Three Springs freehold a few months ago - his value to be based on what the land can do not on market value. He puts it down at £5 including all improvements of which there must be 20/. to 30/. worth since you left - put on the land. this leaves it at 3/10/- [to] 4/./. as you knew it - and he is not far wrong. Donald McLean told me last week that Strathcowan was just worth what he paid for it plus improvements say £3 per acre! and as for Cannington I know that with every care & spending a good deal of fresh capital to develop it I can't see more than 6% profit by any process of book keeping. My freehold there stands me under 3/10/. per acre minus improvements & 4/10/. with all improvements.

Now there is not much use in my giving you all this depressing information - but I wish to mention again the old story of the great inadvisability of locking up the Coy's lands round Timaru from sale. At present they are locked up absolutely. And I do believe that it would pay you to take £3 [to] £5 under valuation for a few thousand acres to let people in and improve the value of the balance. These vast acre of uninhabited lands are very bad for your own interests - very bad for the
District. And it is only population which will give the whole colony a lift again; so it is population settling on them that you require for your lands... if your aim is ultimately to sell your New Zealand freeholds, you should be doing it now for your own sake & your loss now would be made up by improvements hereafter arising from people getting on to the land. We can't see very far before us certainly, but I venture to predict that ten years will not see the value of Levels and Pareora reach what Ford & Bristol gave viz: £12 & £14 per acre. May I be a false prophet... I was at Timaru last week... Everybody hard up there & the whole District very queer. I saw Wright who keeps up his pecker well over his £12 land. I think the Sealeys are now positively on their last legs & all small farmers are up to their eyes in debt. Every day I get fresh revelations worse and worse!
Ritchie to H.R. Grenfell, 10 June 1880

The simple explanation of the state of money matters with us is, I think, that people have borrowed so much that they have no more securities to offer. In the "good times" a great deal of borrowing was done on open account with the banks and also the money to speculate in land was supplied by those institutions. Now these wish to be repaid and permanent fixed loans on mortgage are sought after. But land has fallen so in value that lenders reject the majority of applications. It is not that applications for money are few. There are any number of them - But nearly everybody wants too much & so eligible securities are scarce. But apart from that, it is most difficult to know what is the intrinsic value of land. Hitherto either people have not gone at all into the question of what can be made out of it, or have trusted far too much to the profits from wheat - Now there is a change & buyers want to know what income can be looked for - while this year wheat has left nothing nor is the prospect for the future very bright for this cereal. There are almost no sales & leases cannot be effected. There is therefore absolutely nothing to go upon but experience of working - and men's opinions. The former is of a character this year to make one take the gloomiest of views - the latter is not satisfactory to lend money upon. These are the considerations which influence me in counselling great caution at present & in preferring for a time not to have too much money. I have had a good deal of experience in connection with the working of land in NZ for a dozen years - for others & myself - and have no doubt in my mind that the great rise in values does not arise from what has been done with the land, but from exaggerated hopes as to what can be done with it. No doubt railways roads harbours &c have improved by double or treble the value of great quantities of our land. - but I don't see how this avails the holders of such if they have to pay the cost of these public works by taxation, which seems likely - the reports by Emigration agents freely circulated at home are gross misrepresentations as to the profits from farming in this country - Isolated cases of great returns can always be picked out - but such in no way represents the average of results which have been very bad over a series of years. I fully believe that if men can work with their own money their farming will pay well enough - even at present values of land. But we must get the man with the money first - & get rid of those who have none, & who are now as a rule insolvent in all parts of the country. These have been farming with the money belonging to Banks Companies & Merchants - who credit themselves with their interest and commes, and
consequently have been doing very well as it appears. Now the milch cow has run dry - & I fear there will be great scarcity of her product for some time.

The price of wool will do good - great good in many quarters. But the money involved in this industry of wool growing is small compared to what is fixed in freehold lands, so that farming is the most important question at any rate in Otago & Canterbury at present. Many freeholders, nevertheless, will have to go back to grazing pure & simple, trusting to their product of wool for revenue. This means smaller but much surer returns than what have hitherto been reckoned as possible by mixed farming - reckoned upon, as I think, in error...

I was much struck with the following comparison of figures of two of the largest colonial companies - the AMLFCo and the LMCo of NZ for the year 1879

AMLFCo
Capital reserves & debentures - 1,879,000
Gross profits after paying interest - 128,096
Expenses - 27,267
Nett profits - 100,000

NZLMACo
Capital reserves & debentures - £3,299,539
Gross profits after paying interest - 96,628
Expenses - 47,236
Nett profits - 49,400

Now the NZ Coy has a far larger wool and general business than the other - many more branches (shown by their expenses being £20,000 more) & must receive a higher rate of interest over all than the other. Yet if these gross returns were proportionate to the AMLFCo they ought to be £225000 instead of £96,000. The difference I am confident is attributable to the one being a careful conservative institution - the other reckless & plunging - & having to provide for huge bad debts & their policy has done much to injure NZ & to drag others against their better judgment into risky & bad business.
Ritchie to H.R. Grenfell, 8 December 1890.

Our General elections are over, and the result is a very marked one. Out of 70 members, 21 are labour candidates, about 14 or 15 opposition and 34 or 35 supporters of the present Ministry. But as the opposition have "gone straight" for the labour candidates during the contest, especially Sir Robert Stout, the ex-opposition Premier, but who is not a candidate, the Labour party will no doubt make common cause with them & the result is that the Atkinson Ministry will not be able to carry on.

I am not disposed to be unduly nervous about the labour candidates altho' I think they have had rather too big a success all at once, for with manhood suffrage & one man one vote, & a strike just over, we could hardly look for anything else: nor am I disposed to treat all that has been said during the contest as of serious importance. But I cannot help noting that the feeling is growing fast among the moderates & representatives of property, that the tying up of so much land, held by Companies Banks &c and notably the Bank of NZ is doing grievous harm to the colony and that some plan of progressive taxation, or special taxation of absentee non improving or speculative holders, is within [foresee]able distance & the dislike to anything approaching confiscation or spoliation is I think about the only thing which has held back legislation before this. The new House, which will undoubtedly be favourable to pushing ahead the new social ideas, will have less compunction about more drastic measures so long as the object aimed at is a good one & considered to be so by the whole community. On the other hand it is likely that some time will elapse and possibly that there will be a period of compromise either through coalition or otherwise before the party of progress are able to give effect to their ideas by legislation. And there is some comfort also in the fact that borrowing, both public & private, will require a check by present developments coupled with the late financial crisis in London. Nothing better could happen for Australasia, than that the fatal facility for getting money in London shd be changed into more or less difficulty. Colonists have discovered with some surprise that the investing public of England have had a truer appreciation of the real value of colonial loans than the banks & syndicates in the city by having, to so large an extent, abstained from absorbing their bonds. The apparent eagerness of the 'city' to take loan after loan has created surprise among the more solid members of the community both here & in Australia - & so long as this was so, the floating of loans would go on. It is hoped that this may have got a permanent check.
Ritchie to Stewart, 22 January 1892.

I can say nothing more about legislation & big landowners - Ministers keep talking all over the place about making these pay the taxes & so on & no doubt they mean it. But, as I have said before, I don't believe NZ will be worse in the end than any other Colony - and the pendulum will swing the other way. Nevertheless, all tendencies are towards lessening privilege, & spreading the "goods Gods provide" - and you will have Gladstone & co in soon at home doing the same there. I would say you had a perfect right to reduce your interest in the Company - after having borne the burden... for 25 years & more & brought things to prosperity - But can you do better?
Appendix 51

Ritchie to W.S. Davidson, 23 June 1893, p. 477.

I see by the papers a flourish that you are coming out to arrange the cutting up & sale of the Coy's properties. If the Govt get through Parliament with flying colours of the Cheviot purchase they may go in for more - I should not be surprised if they take the tax off all improvements. They have plenty of money & show a disposition to be moderate. Altogether N.Z., I can tell you, is comfortable & prosperous.
APPENDIX 52

OBITUARY OF JAMES MORTON

According to the Morning Herald, 6 September 1879, Morton began dairy farming on his Elderslie estate and habitually supervised the milking of his herd at 4 a.m. On his death in 1888 the ODT of 8 May reproduced this account of his life:

In his earlier years the deceased laboured as a humble boy on a farm, and later he sold milk from house to house in the streets of Glasgow. Growing tired of this kind of work, and being of a rather speculative turn of mind, he abandoned the milk for stationery, and in a short time he was in a position to open a shop for the sale of note paper and similar commodities in Glassford St. From the counter his ambition led him still further into the world of commerce, and he dipped, so far as his means would allow, into various speculations. In one of the first with which he was connected matters went so badly in some way that a commercial crisis was brought about. This was in 1847, when, as a partner in the firm of William Laird & Co, he was sequestrated. After this he continued straight on in his course, and tried his hand in connection with sheep farming in New Zealand, to which he exported large numbers of animals of various breeds from this country. He gradually became a man of reputed wealth and gained a first class position when the crash came in 1878 with the failure of the City of Glasgow Bank. The directors of the Bank... were punished in accordance with the criminal law... for the mismanagement that led to the disaster but James Morton, the city merchant, who perhaps more than any other man was the cause of the destruction of the Bank... escaped Scot free. It was discovered then that the man who lived as a model of benevolence had drained the Bank to its last penny, and was himself a bankrupt and a pauper. On 22 October after the failure of the Bank, James Morton of 204 West George St Glasgow, Elderslie House Renfrewshire, and Victoria Hotel Euston Square London, petitioned for the liquidation of Morton & Taylor, owing debts of £2.5m. The week before the City of Glasgow closed Morton received £60,000 in hard cash. There was now no hope for him and he sank into obscurity. For a time he engaged himself at his original occupation and again drove a milk cart through the streets of Glasgow. Recently, however, he started what are known as the Southern Coffee Rooms in Crown Street on the south side, and up to the time of his removal to the Nurses’ Home he
occupied a small room off his shop as a sleeping apartment, refusing all proffered help from those closely related to him. On Thursday last, however, certain gentlemen who hold good positions commercially and socially in the city, finding him ill, induced him to go to the home, where, after lingering for a few days, his chequered career was closed in death.
APPENDIX 53

NEWSPAPER EXTRACTS CONCERNING THE POSITION OF THE BNZ

Extract from a letter signed "A Shareholder", ODT, 28 May 1883.

I regret that no shareholder attended the meeting [of the BNZ] who intelligently criticised the report. I now beg to ask how Mr Thomas Russell and the Rev. Shirley Baker could congratulate the shareholders, propose a vote of thanks to the directors or a bonus to the officers. I give the figures which justify my remarks. In April 1878, just five years ago, the half year's profits were £82,567; the capital, including the reserve £1,025,000; deposits, £6,800,070. The profits this half year corresponding date are £89,525, the capital £1,600,00 deposits £8,380,930. My fellow shareholders will therefore see the capital has increased 54% or £575,000 and the liability on deposits £1,580,360, and the large addition to the half year's profits is the prodigious sum of £6,957: If the directors inform us they are giving 6% to depositors, would it be too much for us shareholders to expect our increased capital to earn so much as 6%, that is £18,000, or 3% for the half year? and our increased liability on deposits earning 1% profit for the half year - say only £15,000 - then our profits should be £33,000 greater than in April 1878; but they are only £6,975 or more than £26,000 short. If our directors are justified in increasing our liabilities to such a large extent by giving 6% to depositors, are they not justified in getting the increased market rate from clients? The writer fears, if we knew the whole truth, that the directors and some of their special friends owe the bank more than half the entire amount due to the bank by its clients. A comparison with other banks will show the profits are still more unsatisfactory. The Union Bank of Australia has not a larger total in its last report, but its profits are more than double the BNZ. The Union showed more than one and a half cent on its grand total; the New Zealand not three quarters, or less that one half the percentage of the Union. The New Zealand had a reserve of 60%, and no other bank in the United Kingdom, or in the colonies, that has so large a reserve pays so small a dividend. Is it not quite time to ask Messrs Larkworthy, Williamson, Stone and Campbell what they are doing with our resources and, if necessary, to make them give us that and other information?
The news from London regarding the immediate effect of the Report of the Committee of Investigation of the Bank of New Zealand, contrasts very startlingly with the absurd outburst of congratulations, we might almost say jubilation, with which the report has been received in the colony. Judging from the columns of praise and rejoicing and sanguine anticipation which have appeared in some of the New Zealand papers during the last three days it might be supposed that the way to make a bank really prosperous and put it in the way of making large profits and paying steady and splendid dividends on its shares, is to lose £800,000, to grossly mismanage the business, shamelessly squander the shareholders' money, and get the whole concern into such a disgraceful mess that the original capital has to be subscribed over again in order to save it from instant insolvency. After all this has been done, we are assured, the prospects of the Bank are most brilliant, its shares, whether new or old, are a magnificent investment, and such is the confidence entertained by the public in its future success that the whole of the £1,000,000 of additional capital required could be obtained in Auckland alone. Did anybody ever hear such preposterous nonsense? We say the papers which have written in that strain, have either totally misunderstood the purport and significance of the committee's report, or else have lent themselves to a most audacious imposture, designed to blind the public as to the true state of affairs. Why these extravagant laudations, or these glowing expectations? What conceivable justification is there for anything of the sort? Do not the mercantile world in London know something of the matter? Surely they do; and what is their opinion of them? The directors of the Bank in London have found it necessary to issue a circular, explaining their position. Those behind the scene know perfectly well why they had to do this. Yet notwithstanding their explanation, the effect produced by the report was so unfavourable that New Zealand Inscribed Stock fell from 100 to 96.5 - a drop of 3.5%, the heaviest fall yet experienced by the funds of this colony. It will be some time before we can learn what the actual result of the committee's report will be as regards the Bank; but it is certain that already it has created such a bad impression of the commercial character of the New Zealand as seriously to depress the market for securities. And well may it do so. We do not hesitate to declare the disclosures made by the committee the greatest disgrace that ever fell upon the colony.

What do these disclosures amount to? They amount to nothing less than this, that the chief financial institution of New Zealand, the government bank, the
paramount influence in the mercantile and to a large extent in the political affairs of the colony, has for years past been a thorough sham. The half-yearly reports, which have been accepted by the people as the utterances of an infallible oracle, have been deliberately concocted so as to deceive both the shareholders and the public, whether in the colony or abroad. The 10% dividends and 5% bonuses... were wrongfully paid. Instead of being drawn from profits, as was pretended and explicitly alleged in the reports and balance sheets, these sums were taken from the reserve fund or from capital or from any sums that were in the Bank's hands. Even after the whole of the reserve of £500,000 had been thus made away with, the directors continued to bring it to account as if it still existed, and on one occasion practised the refined deception of professing to draw a small amount from it to meet exceptional losses or provide against depreciation of securities; well knowing all the while that there was no reserve fund left to draw upon and that even the very limited capital of the Bank had been most unwarrantably invaded. In the neighbouring colonies, where it was eminently necessary to maintain the commercial credit of New Zealand to the utmost, men were appointed to the highest offices in the Bank, who were more fit to keep a gambling hell than manage a respectable business [this appears to be an allusion to E.B. Holt]. In this colony, right under the eyes of the directors and the shareholders, the affairs of the Bank were so recklessly and dishonestly conducted that they might be imagined to have been in the hands of madmen rather than experienced and highly trained Bank officials. Why was this so? Simply because the directors and most powerful shareholders were more reckless and more dishonest than the worst of their servants. These were men holding the highest positions in the colony; rolling in wealth, as it seemed; looked up to and trusted and feared. Their word was law. They were the power behind the throne in Parliament; they filled the high places everywhere; the boldest did not gainsay them in mercantile transactions. They held the arbitrament of poverty or riches. To enjoy their favour was to be well placed in the world. To incur their displeasure was to be avoided and looked down upon, and to wage a ceaseless struggle against a multitude of unseen foes. Splendidly they displayed their wealth. The colony was too small, too common for the grandness of some of them. They must needs lord it in London, and regarding with contempt the humble title of colonist, must ape the magnificence of the English aristocracy. Ruthlessly they used their power; as numberless poor, broken, honest men can testify this day. The choicest places of the colony were their wash pot, and over their broad lands they put forth their shoe. And how did
they do all this? they did it by the sweat of the brow and the groans of the heart of multitudes of better men that themselves. More than half of the whole loss disclosed, more than £400,000, nearly half the subscribed capital of the bank, was squandered among the ring in Auckland. But even that was not the worst. Some of the directors themselves received huge sums of money which they pledged themselves to guard for the shareholders, the deficiency from that cause alone amounting to £160,000. There goes £560,000 which the committee acknowledge that the bank has lost. It is not worthwhile to enquire where the remaining £240,000 went. The whole story is so scandalous, so mortifying, so degrading to the community concerning whom it is told, that there is little temptation for us to pursue it further.

But now that this foul story is told, can we be at all sure that we know the worst even yet? We are assured most positively by the committee and by the claqueurs of the Bank all over the colony, that this is the worst, the very worst. Well, we sincerely hope it is. God knows it is bad enough. Yet there are those who seem to think there is nothing very serious in it after all; that the bank comes out of the whole investigation very well on the whole; and that, if there has been a little carelessness in the past, everything is bound to go swimmingly in the future. Can they really believe this, or are they trying to deceive themselves and others as they and others have been deceived before...
### APPENDIX 54

**OTAGO COMPANIES REGISTERED BEFORE 1884 WITH A NOMINAL CAPITAL OF £50,000 OR MORE**

1. **National Insurance**

   | Registered  | 1873 |
   | Authorised Capital | £1m |
   | Paid Up Capital | £200,000 (1888) |
   | Reserves | £256,110 (1888) |

   See Volume One for discussion of the Company’s performance

2. **Mosgiel Woollen Factory Company**

   | Registered  | 1873 |
   | Authorised capital | £80,000 |
   | Paid Up Capital | £56,000 (1888) |
   | Reserves | £19,548 (1888) |

   This company was regarded as having pursued a policy of extreme caution in its early years and was able to pay dividends of 8-10% throughout the 1880s.\(^1\)

   It performed much better than the woollen mills established at Oamaru and Ashburton, and took over the Ashburton mill in 1889.\(^2\) By 1885 it had paid a total of £46,000 in dividends, while holding £17,000 as reserves and writing off £22,000 for depreciation.\(^3\)

---

1. AIBR, 10 January 1881.
2. ODT, 13 November 1889.
3. AIBR, 12 December 1885.
3 Standard Fire and Marine Insurance

Registered 1874
Authorised Capital £1m
Paid Up Capital £75,000
Reserves £24,414

This company was on the verge of liquidation in 1881, having lost £50,000 in the previous three years of trading. The shareholders resolved to carry on the company and it was able to resume the payment of dividends from 1885, in spite of further heavy losses later in the decade. The company was re-registered in the twentieth century.

4 Dunedin Peninsula & Ocean Beach Railway

Registered 1874
Authorised Capital £60,000
Compulsorily Wound Up 1883

This company seems not to have prospered after being exposed to competition from Proudfoot's tram service. See J. Dangerfield, Dunedin's Matchbox Railway.

5 Colonial Building and Investment Company

Registered 1875
Authorised Capital £100,000
Wound Up 10 August 1880

---

1 QDT, 21 February; 8, 7 March 1881. AIBR, 10 March 1881.
2 AIBR, 15 March 1886, September 1889.
6 Union Steam Ship Company

Registered 1875
Authorised Capital £350,000 (increased to £500,000 in 1879)
Paid Up Capital £400,000 (1888)
Reserves £115,830

See Volume One.

7 Equitable Investment Company

Registered 1877
Authorised Capital £60,000 (increased to £100,000 in 1878)

The prospectus of the Company may be found in the issue of the ODT for 26 November 1878. A statement of the company's position in 1893 disclosed that 15,000 shares of £5 nominal value had been taken up. Fourteen shillings had been called and £10,000 paid up.¹

8 Guthrie & Larnach's New Zealand Woodware Factories Company

Registered 1877
Authorised Capital £250,000
Wound Up 1882

See Volume One.

9 Westport Colliery Co 1878

Registered 15 April 1878
Authorised Capital £100,000
Wound Up by resolution on 3 June 1885

¹ Company File 90.
By 1881 £4 had been called on each £10 share, £24,832 had been received and unpaid calls amounted to £9,844. The general manager was A.J. Burns, then living in Westport.

10 **Duntroon & Hakataramea Railway**

Registered 1878
Authorised Capital £150,000
Wound Up 1893 (Company in liquidation 1883.)

See Volume One.

11 **Waimea Plains Railway Company**

Registered 1878
Authorised Capital £150,000
Wound Up 1887, with the loss of £1 18s per share.

12 **New Zealand Hardware Company**

Registered 1878
Authorised Capital £100,000
Wound Up 1924

It is difficult to assess the performance of this company as its affairs were not reported and many of the shares were probably held by members of Oliver’s family. A twentieth century share list records that Louise d’Este Oliver, widow, of London, held 40,320 of the company’s shares. This would suggest some alteration in the division of the company’s capital which was originally in 20,000 shares of £5 nominal value. Richard Oliver held 8,264 of the £5 shares (fully paid) at the time of his death in 1910. These realised £35,000, a sum considerably less than their paid up value. A description of the

---

1 Company File 92.
2 NZLMACo Minutes, 30 May 1883.
3 Evening Post, 25 October 1887. ODT, 14 June 1887.
4 Company File 89.
5 Probate File 1212, Dunedin High Court.
company's Dunedin premises may be found in the issue of the ODT for 15 August 1879.

13 New Zealand Railway Waggon Company

Registered 1878
Authorised capital £100,000

There is apparently no evidence that this company remained in business for any length of time. No reports seem to have been published in the 1880s. In 1879, only 3,797 of the 10,000 shares offered had been taken up, on which £2 10s had been called.\(^1\) The prospectus may be found in the issue of the ODT for 26 October 1878.

14 Otago Slate Company

Registered 1878
Authorised Capital £100,000
Wound Up 1881

15 Finance Loan & Agency Company

Registered 1879
Authorised Capital £100,000

This was an incorporation of the business of Charles Reid.\(^2\) An entry in the register of companies, dated 10 December 1887, states that this company was not in business.

---
\(^1\) Company File 115.
\(^2\) Morning Herald, 21 January 1879.
16 Kempthorne Prosser New Zealand Drug

Registered 1879
Authorised Capital £200,000
Paid Up Capital £83,544 (1888)
Reserves £10,079

In 1881, this company was hailed as one of the few to show a healthy balance sheet. It appears to have paid dividends throughout the 1880s and prospered into the twentieth century.

17 New Zealand Implement & Carriage Company

Registered 1879
Authorised Capital £50,000

This concern was based in Milton and its first directors were all local men. It was floated to take over the business of Graham, Kennard & Wilson of Tokomairiro. It is not known how long the company existed or how profitable it might have been. An unfavourable report on the company's account was penned by the National Bank Inspector in 1879.

18 Commercial Property and Finance Company

Registered 1879
Authorised Capital £100,000
Paid Up Capital £24,795 (1888)
Reserves £2,122
Wound Up 1908

The annual report of the company in 1887 notes that a dividend would be paid, although the shares were trading below par. In 1893, the capital was

1 AIBR. 10 April 1884, p. 193. See also 2 April 1883 and 10 March 1881.
2 Company File 94.
4 ODT. 2 November 1887.
reduced from £249,310 to £111,810, which suggests that the capital structure of the company had undergone some alteration.

19 Trustees Executors & Agency Company

<table>
<thead>
<tr>
<th>Registered</th>
<th>1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Capital</td>
<td>£50,000</td>
</tr>
<tr>
<td>Paid Up Capital</td>
<td>£10,000 (1890)</td>
</tr>
</tbody>
</table>

A statement of the company’s affairs in 1890 records that it was operating on a paid up capital of £10,000 and had made a profit of £1,032 on its previous year’s operation. A dividend of 6% was authorised.¹

20 Dunedin Finance Loan & Agency Company

<table>
<thead>
<tr>
<th>Registered</th>
<th>1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Capital</td>
<td>£250,000</td>
</tr>
<tr>
<td>Paid Up Capital</td>
<td>£19,333 (1888)</td>
</tr>
<tr>
<td>Reserves</td>
<td>£437 (1888)</td>
</tr>
<tr>
<td>Wound Up</td>
<td>1897²</td>
</tr>
</tbody>
</table>

21 Westport Coal Company

<table>
<thead>
<tr>
<th>Registered</th>
<th>1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Capital</td>
<td>£400,000 (reduced to £340,000 in 1887)</td>
</tr>
<tr>
<td>Paid Up Capital</td>
<td>£207,918 (1888)</td>
</tr>
<tr>
<td>Reserves</td>
<td>£3,488</td>
</tr>
</tbody>
</table>

See Volume One.

¹ New Zealand Gazette, 1890, Vol. 1, p. 90.  
² New Zealand Gazette, 1897, Vol. 1, p. 613.
22 **Keast & McCarthy Brewery Company**

- Registered: 1882
- Authorised Capital: £50,000
- Wound Up: 1888

This company was affected by what was described as the "utter collapse of the brewing trade all over the colony", and the report of 1887 revealed a disastrous state of affairs. The company was placed in liquidation that year. Many of its shares were held in Victoria.

23 **Guardian Trust & Executors Company**

- Registered: 1882
- Authorised Capital: £100,000

Company File 54 indicates that the Head Office of this company was transferred to Auckland in 1931. Documents referred to on file include a declaration dated 29 March 1895 that the Company was not carrying on business. Its shares were not quoted in local reports in the late 1880s.

24 **Neill & Co**

- Registered: 1882
- Authorised Capital: £50,000

See Volume One.

---

1. *AIBR.* 15 February, 14 June 1887.
2. *AIBR.* 14 June 1887.
3. *AIBR.* 15 February 1887.
25 Equitable Insurance Company

Registered 1882
Authorised Capital £1m
Paid Up Capital £25,543 (1888)
Wound Up 1891.1

This company was on the point of collapse by 1888.2 One shareholder offered to surrender his shares with the next two calls paid to anyone prepared to accept their transfer.3 The directors were faced with refusals to pay calls and a resolution was passed to put the company in liquidation.4 This action was delayed for fear of losing the remaining capital and the company was eventually liquidated in 1889.5

26 New Zealand Electric Light and Power Company

Registered 1882
Authorised Capital £250,000
Wound Up 18846

27 Dunedin City & Suburban Tramway

Registered 1883
Authorised Capital £100,000 (reduced to £85,000 in 18897)
Paid Up Capital £29,665 (1888)
Reserves £307 (1888)
Wound Up 19018

2 *ODT*, 1, 2 December 1888.
3 *ODT*, 15 December 1888.
4 *ODT*, 15 December 1888.
5 *ODT*, 30 April 1890.
6 Company File 452.
7 Company File 167.
A letter in the ODT of 4 February 1885 expressed disgust at the annual report and the writer doubted that the company would ever pay a dividend.

See Volume One.

28 Matheson Brothers

Registered 1883
Authorised Capital £50,000
Wound Up 1885

G.C. and T.C. Matheson were declared bankrupt in 1884.¹

29 Glenledi Estate Company

Registered 1883
Authorised Capital £50,000
Wound Up 1886

The company's estate passed into the hands of the NZLMACo.

30 Findlay & Company

Registered 1883
Authorised Capital £100,000
Wound Up 1891

A statement filed to initiate the winding up recited that the company's shares were fully paid, that it had no assets and was not in business.² The ODT of 24 December 1888 reported that Findlay & Co had won the timber contract for the Hurunui to Bluff railway.

¹ Mercantile Gazette, 21 June 1884.
31 Fidelity & Accident Guarantee Company

The prospectus of this company was advertised in 1878. The nominal capital was £100,000.1 The Company does not appear to have been registered under the limited liability legislation. A report in the ODT of 13 November 1877 indicates that the directors included Reynolds, C.S. Reeves, John Mitchell, Robert Wilson and Oliver.

32 Red Lion Brewery

Prospectus Advertised 1882²  
Capital £100,000

No record of registration has been located. This company was refused credit by the National Insurance Company in 1888.³

This list of companies does not include the Colonial Bank, which was registered by special legislation in 1874.

---

1 ODT, 26 November 1878.  
2 ODT, 5 April 1882.  
3 National Insurance Company Minutes, 5 November 1888.
APPENDIX 55

ARTICLE CONCERNING THE HENTY FAILURE


The commercial world of Melbourne has had a subject of gossip during the past week in the Henty insolvency case. The firm of Henty & Co was one of the oldest and most respected in the city. The Hentys were the earliest of Victorian settlers, and for thirty-five years they had carried on a flourishing business in Melbourne. The father and a son-in-law (Mr Balfour) were originally in the business, but latterly the only partners were Henry and Herbert Henty. Henry, the eldest brother, in 1882 went away to England, intending to stop away eighteen months, but he stayed away two years. When he went away the firm was worth £90,000; when he came back it was hopelessly insolvent - so much so that last week he had to ask the court to release him from the obligation to pay seven shillings in the pound, without which no bankrupt, except under special circumstances, can get his discharge. In order to justify the application, Mr Henry Henty filed an affidavit setting forth the history of his brother's transactions during his absence and, as Judge Noel of the Insolvency Court well said, it reads like a romance. No young aristocrat - not one of Ouida's heroes - ever made ducks and drakes of a fortune so quickly and fatuously as Mr Herbert J Henty...
[Included in the list of liabilities was a guarantee for Neill Brothers of Dunedin of £16,500.] The general feeling in business circles in Melbourne seems to be that Mr Herbert Henty has less than the customary quantity of brains; and indeed his action can be accounted for in no other possible way...
### APPENDIX 56

**COLONIAL BANK ACCOUNTS TAKEN OVER BY THE BNZ.**

<table>
<thead>
<tr>
<th>Description</th>
<th>How Treated</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Live&quot; accounts</td>
<td>All taken over by BNZ</td>
<td>£926,198</td>
</tr>
<tr>
<td>141 accounts - &quot;Live but in a somewhat dangerous condition&quot;</td>
<td>Taken over but guaranteed to the extent of £327,305 by the Colonial Bank</td>
<td>£604,695</td>
</tr>
<tr>
<td>3 accounts, but the bulk of this made up of Joseph Ward's account</td>
<td>Accepted by the BNZ on the guarantee of the Colonial Bank.</td>
<td>£98,382</td>
</tr>
<tr>
<td>117 accounts - &quot;absolutely dead&quot;</td>
<td>Not accepted by the BNZ</td>
<td>£102,274</td>
</tr>
</tbody>
</table>

The eventual loss written off the B, C and D accounts was £432,203. The loss on B accounts was £268,933. The loss on C and D accounts was £163,270. If the loss on D accounts is calculated at £72,274, the loss on Ward's account must have been around £91,000. See V.M. Braund, "A Romance of Trade and Politics", p. 172. This table is based on H.D. Bedford, "The History & Practice of Banking in New Zealand", p. 328.
APPENDIX 57

CLASSIFICATION OF CERTAIN COLONIAL BANK ACCOUNTS

Source: BNZ Archives

<table>
<thead>
<tr>
<th>Name</th>
<th>Account Classification</th>
<th>Loss or Estimated Loss in 1897</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander Bartleman</td>
<td>B</td>
<td>paid four shillings in the pound on a debt of £1,200</td>
</tr>
<tr>
<td>E.B. Cargill</td>
<td>B</td>
<td>estimated deficiency of £357</td>
</tr>
<tr>
<td>John Ryley</td>
<td>B</td>
<td>estimated deficiency of £6,527</td>
</tr>
<tr>
<td>Robert Wilson - (£5,000)</td>
<td>B</td>
<td>unknown</td>
</tr>
<tr>
<td>Stronach Brothers &amp; Morris</td>
<td>B</td>
<td>estimated loss of £2,000</td>
</tr>
<tr>
<td>Anderson &amp; Co. (John Ryley also involved)</td>
<td>B</td>
<td>loss of £49,450</td>
</tr>
<tr>
<td>Christopher Basstian</td>
<td>B</td>
<td>estimated loss of £7,750</td>
</tr>
</tbody>
</table>
APPENDIX 58

CRITICISM OF THE REPORT OF THE GUTHRIE & LARNACH COMPANY

Extract from Auckland Herald, reproduced in ODT, 3 October 1882.

We have already referred to this matter by quotations from the balance-sheet issued under the authority of Messrs Guthrie and Larnach, to show that shareholders have been very badly treated in this concern, and although Mr Larnach has entered into an elaborate defence of himself, we do not think he will convince the people that he is blameless. The argument that his bankers were unkind does not hold water, because they were merely using other people's money entrusted to their care, and could not go on for ever allowing Guthrie and Larnach to lean upon them. Mr Larnach's *ex parte* defence of himself is singularly reticent on the point which mainly interests shareholders - namely, how much of their money they are likely to get back. If, as rumour hath it, there will be nothing, shareholders will be further curious to have it explained how, on the 31st of January last, Mr Larnach, as a director, came to issue a balance-sheet showing £184,000 to the good. There is no talk of the liquidators sacrificing the property. The Bank did not stop the Company in 1877 [sic], when times were bad, and when the shareholders might have contended that it would be unfair to stop them. Times are not bad now, and surely £184,000 will not disappear in realisation. Shareholders cannot forget that Mr Larnach has been a director for two years past, and that by his own admission he was consulted by Mr Guthrie on all important points. It is too much to expect shareholders to be satisfied with the plea of the Bank's alleged sudden change of front as a reason for the disappearance of £184,000, if it has disappeared, in a little over six months. They will inevitably conclude that if their entire capital is gone now, not much of it survived at last balance, nor at the balance before that, and they will justifiably think that had the balance-sheets taken shareholders a little more into the confidence of the directors, to put it mildly, the shareholders themselves would have anticipated the action of the Bank while yet some fraction of their money remained. To recriminate upon the Bank may be a satisfaction to Mr Larnach; it is a very poor satisfaction to the shareholders.
In 1873 a Geelong minister, A.J. Campbell, applauded the Dunedin "Upper Ten" for its down-to-earth attitudes:

There is much less of the pride of life and much less of the show and ostentation of wealth than you might expect in the capital of the Province. There are persons who have risen to position and wealth, but they don't affect that style of luxury which is corrupting the upper stratum of Melbourne society. Hard work and happy hopes seem to be the two conditions of life; and there still remains among many of them the recollection of the early struggles of settlement which is a source of much good feeling and helpfulness.¹

Towards the end of the century, the social habits of Dunedin's upper classes would not have warranted such an encomium for modesty and restraint. Indeed, there seems to have been a conscious effort to elevate society life to a more pretentious level. In 1890 the social columnist of the New Zealand Graphic noticed that an old colonist had been writing to the home papers lamenting "the decay of the quondam spirit of bon homie and camaraderie, which used to characterise intercourse between man and man in the early days of these young colonies of Australasia." She added her own perceptive gloss to this complaint:

With the blossoming of luxury, with the growth of imposing buildings, of fashionable race meetings, of tastefully dressed shops, and the importation of the latest Parisian modes, there comes also a spirit of snobbishness. This over-estimation of the value of social position is due, of course, to the accretion of wealth in certain quarters. The fine flower of refinement springs from the leisure which wealth alone can give. What of refinement these colonies possess came originally with the better class of settlers, born of the well-to-do middle class of the old country. They and their descendants are now, in the vicissitudes of colonial life, yielding to a class of nouveaux riches, whose children imbibe the

¹ ODT, 12 April 1873.
tradiotns of culture from these cultured predecessors, or are sent
home for the purpose of absorbing them at the fountain-head.¹

As these remarks suggest, Europe was becoming less remote as a model for
bourgeois culture in Otago. Improving communications facilitated travel to and
from the colonies and the opportunities for contact with British society were
eagerly grasped. Dunedin's elite was becoming highly mobile. The New Zealand
Graphic and Otago Witness regularly reported parties for people who were
leaving on trips home. "Maude" wrote in 1894, "[o]ur social world has been made
quite small by the departure of a large number for Fiji on the 'Rotomohana'."²
Ritchie reported that the town was very quiet in the winter of 1898. "We counted
sixteen houses shut up - people away - Wrights, Fergusons, Michies, Mills,
Reynolds &c &c."³ It appears that those families who had prospered in the
colonies, particularly members of the second generation, felt obliged to affirm their
social elevation in England.

From the late 1880s, reports of social events in the city began to appear in the
Otago Witness and New Zealand Graphic, and the calendar was remarkably full.
Tea parties, luncheons, musical entertainments and theatricals were the regular
fare of fashionable ladies. At times their lives had "simply been one rush from tea
to tea, with a great display of... gowns and floral bonnets."⁴ These staple events
were supplemented by a succession of balls and concerts. Few such events
escaped the notice of "Maude", who contributed weekly reports of society
happenings to the New Zealand Graphic.

The racing season was always a great highlight and the Dunedin Cup
coincided with "a week of balls".⁵ Tennis and rowing provided further
opportunities for mixing and, in winter, the meetings of the Hunt Club were a
popular attraction. New Year's Eve was celebrated by much first footing and
whisky drinking; the start of 1891 was greeted by several parties and the revellers
signalled to each other across town by means of fireworks. Charitable causes were
sometimes the excuse for entertaining and novel means were resorted to for raising
money. At one of her parties at Montecillo, Mrs Rachel Reynolds, erected a post

¹ New Zealand Graphic, 18 October 1890.
² New Zealand Graphic, 14 July 1894, p. 14. Among those leaving were the families of James Mills, A.W.
   Morris, George Joachim, John Reid, Henry Mackenzie, Mrs Edmund Gibson and John Roberts.
³ Ritchie to Brydone, 16 July 1898, Ritchie Papers.
⁴ New Zealand Graphic, 8 November 1890.
⁵ New Zealand Graphic, 21 March 1890.
office in the garden. Ladies deposited messages, presumably complimentary ones, and the gentlemen had to pay to find out what had been written about them. Sometimes the frivolity took rather bizarre forms. A game of human whist was enacted at the Garrison Hall, with fifty-two exquisitely dressed women representing the cards. In 1895, guests at a party given by the Sargoods amused themselves with a bubble-making apparatus.

Commercial developments seemed rarely to intrude upon this insular, hedonistic world. Maude's only reference to such matters was a flippant one. After the exhibition she drolly observed:

The only social entertainments have been one or two dinner parties and for further amusement people have been going through the court or effecting private compositions with their creditors. Some of the leading drapers are creditors for hundreds of pounds... Human nature is too weak to resist a whirl of gaiety when there is a chance of indulging and this is the result.

Maude's bulletins, with their lists of the people she observed at functions, give a fairly detailed profile of Dunedin's high society. "Mrs Cutten has given another of her delightful garden parties", ran a typical report:

You meet the same people everywhere, among whom are the names of Sise, Reynolds, Denniston, Dymock, Sievwright, Gibson, Rattray, Lindo Ferguson, Maunsell, Mills, McKenzie, Michie Williams with a few strangers.

There was apparently little moralising about how one made the necessary money, or whether it was retained. Once admitted to this exclusive caste and enmeshed in the network of family and other connections it was difficult to become ostracised.

Bankruptcy was certainly insufficient in itself to cause one's social death. In keeping with the times, the Dunedin Club passed a rule in 1880 that required the instant resignation of any member who became bankrupt or sought to have his

---

1 New Zealand Graphic, 4 April 1891.
2 New Zealand Graphic, 1 November 1890.
3 New Zealand Graphic, February 1895.
4 New Zealand Graphic, 19 July 1890.
5 New Zealand Graphic, 4 February 1891.
debts compromised. That such a law was necessary is perhaps an indication of the loose observance of the gentlemanly code. George Joachim duly withdrew from the Club when he filed his schedule in 1887, but he was readmitted before the year was out. Henry Driver became Club president just eight years after receiving his discharge in 1871. In the gay social world of the nineties there was always a place for talented but needy persons such as F.W. Petre, W.M. Hodgkins and R.L. Stanford. Even Charles Haughton gained a mention in the *New Zealand Graphic* despite having once been indicted for "a crime unmentionable amongst Christians."
APPENDIX 60

RELIGIOUS AFFILIATIONS OF CLUB MEMBERS: 1863-1880

A list of Club members in the 1860s and 1870s is provided at the conclusion of this appendix. This has been compiled from published lists of members in 1863 and 1875, and from the minutes of the Club and register of shareholders. From these sources, 168 members can be identified in this period.

Ascertaining the religious affiliations of businessmen in this period is made difficult by the incompleteness of membership records for the various churches. This is particularly true of the Anglican parishes. While it is not possible to discover the religions of all members of the Club, the pattern revealed by the available records is significant, especially given that Anglicans are less likely to be detected than Presbyterians.

Communicant rolls exist for First Church from the 1850s to the early 1870s. From these it appears that the following members of the Dunedin Club (between 1863-1880) were also members the First Church congregation: T.B. Gillies, John Hyde Harris, Edward McGlashan, W.H. Reynolds, N.Y.A. Wales, Watson Shennan. It is surprising that no members of the Cargill family appear on the early communicant rolls. Marriage records indicate that George McLean married in First Church.

The communicant rolls of Knox Church reveals that a number of First Church members subsequently transferred their allegiances to Knox Church. These men included: A.C. Begg, John Hyde Harris, John Mitchell, James Marshall, Robert Wilson and J.T. MacKerras. The rolls also contain the following Club members who have not already been mentioned: James Rolland, John Cargill, Charles Street, William Hepburn, E.B. Cargill, George Turnbull, John Roberts, Walter Guthrie, Alexander Bartleman. The marriage register records that Charles Ritchie Howden married a daughter of Captain J. [sic, T.?] Fraser.
W.H. Reynolds, E.B. Cargill, W.A. Tolmie, and John MacLean - all Club members - appear on the records of St Andrews Presbyterian Church. Three others appear as communicants of the Anderson's Bay parish: Mathew Holmes, Allan Holmes and W.A. Tolmie. John Watson Smith was a communicant of Chalmers Church in 1881. James Pillans Maitland is said to have been an elder of Inch Clutha Presbyterian Church, though he is listed as a member of the committee charged with attending to the Bishop's residence and the episcopal Cathedral. Francis Wallace MacKenzie recorded that he attended a Free Church service in Auckland when he first arrived in New Zealand, and this may be a clue about his religious preferences. John Davie is said to have been the nephew of Dr Candlish, a leader of the Disruption, and is listed as a subscriber to the new Knox Church in 1875.

It is possible to identify a considerable number of Anglicans from the following sources: Proceedings of the Anglican Synod; subscribers and office bearers of St Paul's Cathedral 1890 and 1894, B.M.L. Bell, Parish of All Saints, 1865-1965, Dunedin 1965; J. H. Evans, The Southern See, Dunedin, 1968; Subscribers to the Clergy Maintenance Fund 1862; Reports of the Otago and Southland Rural Deanery Board; All Saints stipend fund account 1866; E.R. Nevill, S.T Nevill: With A Short History of St Paul's Cathedral, Dunedin, 1922; J.A. Fenton, "Sketch of the Founding and Progress of the Anglican Church in Otago"; Report of the Dunedin New Cathedral Board 1910, and records of St Paul's Cathedral held at Hocken Archives.

The Club members among these men were: John Borton, F. J. Alderson, Charles Frederick Black, George Septimus Brodrick, Captain J.T.T. Boyd, Captain William Baldwin, Henry Clapcott, Bunter Clapcott, W.H. Cutten, Alexander Carrick, R.S. Cantrell, James Alexander Douglas, Alfred Eccles,

---

1 A. Rutherford, "Notes on the Pillans and Maitland Families", Hocken Library. ODT, 1 February 1878.
2 These were published in the Dunedin papers. A number of printed Synod reports are held at the Hocken Library.
3 Pam. 151/24, Hocken Library.
4 Pam. 156, Hocken Library.
5 Pam. 156, Hocken Library.
6 Pam. 151/23, Hocken Library.
7 Pam. 151/1, Hocken Library.
8 Mrs W.H. Cutten attended Knox Church.

At least seven Club members (not already mentioned) baptised their children in St Paul’s Cathedral. They were: Henry Tewsley (whose children married in Anglican churches⁴), Henry Driver (who married there and was also a contributor to the Clergymen Maintenance Fund in 1862), R.A. Low, Charles Nichols, Montagu Pym, John Stephenson and Pierce Power⁵. Among those who married in Anglican churches we find these Club members: Charles Crofton Boyes (who married Driver’s widowed sister-in-law), Henry Lindo Ferguson (to a daughter of a known Anglican, J.L. Butterworth), Fitzclarence Roberts (a donor of land to the Anglican Church at Clinton) and Frederick Revans Chapman (married to a daughter of George Cook, a known Anglican).

Julius Vogel was the only Jew among the Club members of the 1860s and 70s. There were several Roman Catholics: Dr M.S. Gleeson, Ignatius Loughnan, F.W. Petre and P.K. McCaughan.

This analysis leaves roughly a third of the Club members whose religious denomination must be considered uncertain. It is unlikely that there were

---

¹ Although not raised as a Presbyterian, Fulton actively supported the Presbyterian Church in Otago. See New Zealand Presbyterian. 1 December 1891, p. 102.
² For Wayne, see New Zealand Presbyterian. 1 March 1882, p. 178.
⁴ Henry Cromwell Tewsley was also a member of the Anglican Synod.
⁵ Power also married in the East Otago Anglican Church.
enough Presbyterians among this group to the change the developing picture of an Anglican majority. George William Eliott was the son of G.E. Eliott, a member of the Anglican synod. George E. Barton professed himself to be an unbeliever, but mentioned that his uncle was an archdeacon in the Church of England.1 G.M. Bell and Robert Campbell were both educated at Eton, and Campbell was a benefactor of the Anglican Church in North Otago.2 Joseph Clarke's brother was noted for his generous contributions to the Anglican Church in Australia. Ritchie's father-in-law, Robert McLaren, was a good friend of Bishop Nevill and appears to have worshipped at All Saints.3

Guessing religious affiliation on the basis of nationality is hazardous, but St John Branigan, William Isaac, J.F. Herbert, E.W. Humphreys and F.D. Rich were born outside Scotland and are unlikely to have had Presbyterian leanings. On the other hand, Pillans, Handyside, Hepburn, H.J. MacLean, John McGregor, David McKellar, John Reid MacKenzie and Charles Stewart were Scots and might easily have been Presbyterians.

A survey of businessmen outside the Club suggests a more even distribution. The men in the table overleaf are also listed in Appendix 3. When a wife alone has been identified, the name has been bracketed. The extant records for the parishes of West Taieri, East Taieri, Port Chalmers, North East Harbour, Maungatua, St James and Kaikorai were also consulted, but no businessmen from Appendix 3 were identified.

1 Evening Star, 12 February 1874. ODT, 2 May 1874.
2 ODT, 5 September 1877.
<table>
<thead>
<tr>
<th>First Church</th>
<th>Knox Church</th>
<th>St Andrews</th>
<th>Anderson's Bay</th>
<th>St Stephens (surviving records begin in 1896)</th>
<th>South Dunedin Pres. Church (1884 roll)</th>
<th>Caversham Ch. (surviving records date from 1889)</th>
<th>Anglican Parishes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Dick</td>
<td>W.D. Stewart</td>
<td>Thomas Brown</td>
<td>Thomas Inglis</td>
<td>John Mitchell</td>
<td></td>
<td></td>
<td>George Cook</td>
</tr>
<tr>
<td>Hugh MacNeil</td>
<td>Alexander Burt</td>
<td>(Mrs Basil Sievwright)</td>
<td></td>
<td></td>
<td></td>
<td>Henry Houghton</td>
<td></td>
</tr>
<tr>
<td>Keith Ramsay</td>
<td>Robert Glendining</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>James Ashcroft</td>
<td></td>
</tr>
<tr>
<td>R.A. Lawson</td>
<td>G.L. Denniston</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>James Hazlett</td>
<td></td>
</tr>
<tr>
<td>A.W. Morris</td>
<td>Thomas Brydone</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>William Gregg</td>
<td></td>
</tr>
<tr>
<td>A.C. Begg</td>
<td>C.R. Chapman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>D.M. Spedding</td>
<td></td>
</tr>
<tr>
<td>Ralph Ewing</td>
<td>Henry Guthrie</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>T.W. Kempthorne</td>
<td></td>
</tr>
<tr>
<td>J.T. MacKerras</td>
<td>G.C. Matheson</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>J.T. Thomson</td>
<td></td>
</tr>
<tr>
<td>A.J. Burns</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>William Godfrey Neill</td>
<td></td>
</tr>
<tr>
<td>Henry Wise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert Wilson</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Mrs William Park)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas Inglis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Strachan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RELIgIOUS AFFILIATIONS OF NON-CLUB BUSINESSMEN
1 Dick was a Baptist before coming to New Zealand and retained very close links with the Baptist Church.
2 Also on the records of East Taieri parish.
3 A Club member in the 1880s.
4 Formerly First Church; a Club member in the 1880s.
5 Later joined Knox Church.
6 B. Sievwright was a Club member in 1890.
7 Formerly First Church.
8 Formerly First Church.
9 Formerly First Church.
10 Nevill lists Job Wain as a parishioner of St Paul's Cathedral in 1861 and this is confirmed by other sources.
11 James Scoular was an elder at Mornington Presbyterian Church.
12 A Club member in the 1880s.
13 Formerly a Presbyterian.
MEMBERS OF THE DUNEDIN CLUB: 1863-80

1863 List

1. John Borton
2. F.J. Alderson
3. C.F. Black
4. St John Brarigan
5. George Septimus Brodrick
6. Captain J.T.T. Boyd
7. Captain William Baldwin
8. Henry Clapcott
9. Bunter Clapcott
10. W.H. Cutten
11. Alexander Carrick
12. George Cowie
13. Richard Seaward Cantrell
14. E.B. Cargill
15. John Cargill
16. Henry Driver
17. James Alexander Douglas
18. John Ambrose Douglas
19. W.H. Dansey
20. John Douglas
21. Alfred Eccles
22. R.H. Forman
23. James Fulton
24. Francis Fulton
25. Fairfax Fenwick
26. Dr Michael Sherlock Gleeson
27. T.B. Gillies
28. John Hyde Harris
29. Captain James Hamilton
30. T.M. Hocken
31. William Isaac
32. John Jones
33. William Jones
34. James Jones
35. Alfred Jones
36. E.P. Kenyon
37. George Lloyd
38. R.A. Low
39. W.D. Murison
40. John Bell Mudie
41. John MacLean
42. Richard Bowden Martin
43. H.D. Maddock
44. Edward Musgrave
45. Captain F.W. MacKenzie
46. William Mason
47. H.J. Miller
48. Edward McGlashan
49. George McLean
50. Henry Nelson
51. Mark Noble
52. F.A. Orbell
53. Henry Philips
54. Pierce Power
55. Thomas Paterson
56. Vincent Pyke
57. T. Pillans
58. George Parker
59. James Rattray
60. William Royse
61. W.H. Reynolds
62. W.M. Seal
63. James Smith
64. Martin Sholl
65. A.R.C. Strode
66. Watson Shennan
67. Conrad Saxton
68. W.W. Tickle
69. Campbell Thompson
70. George Thompson
71. Charles de Vere Teschemaker
72. Julius Vogel
73. J.T. Wright
74. Frederick T. Walker
75. Frederick Wayne
76. Charles Worthington
77. William Carr Young

Additional Names from 1875 List

78. E.R. Anderson
79. Alexander Bartleman
80. George E. Barton
81. Latham Beal
82. A.D. Bell
83. Sir F.D. Bell
84. George Meredith Bell
85. Dr Borrows
86. C.C. Boyes
87. John Leach Butterworth
88. Robert Campbell
89. J. Clarke
90. James Davidson
91. John Davie
92. George William Eliott
93. Dr Ferguson
94. James Fotheringham
95. T.A. Fraser
96. William Fraser
97. H.J. Gibbs
98. Walter Guthrie
99. James Hackworth
100. Bryan Cecil Haggitt
101. Hugh Handyside
102. William Hepburn
103. J.F. Herbert
104. W.M. Hodgkinst
105. Allan Holmes
106. Mathew Holmes
107. Charles Ritchie Howden
108. Henry Howarth
109. Edward Wingfield Humphreys
110. Archibald Hill Jack
111. J.F. Kitching
112. W.J.M. Larrach
113. Ignatius Loughnan
114. James Macassey
115. Hugh John Maclean
116. James Pillans Maitland
117. Arthur Hay Maude
118. John McGregor
119. David McKellar
120. John Reid MacKenzie
121. Robert McLaren
122. Alexander McMaster
123. James Mills
124. Percival Clay Neill
125. Charles Nichols
126. P. Oakden
127. F.W. Petre
128. George Pogson
129. F.D. Rich
130. John Macfarlane Ritchie
131. Fitzclarence Roberts
132. John Roberts
133. William Charles Roberts
134. R.M. Robertson
135. Joseph Rogers
136. Adam Rolland
137. J.H. Rolland
138. G.G. Russell
139. J. Saunders
140. W. Saunders
141. George L. Sise
142. Dr Smith
143. J.W. Smith
144. Charles Stewart
145. J.A. Sutton
146. G.A. Sutton
147. Henry Tewsley
148. George Turnbull
149. J. Warren
150. Joshua Strange Williams

Other Members During the 1870s

151. E.J. Spence
152. Richard Oliver
153. George Joachim
154. Charles Street
155. G. Lewis
156. Montagu Pym
157. Robert Gillies
158. Andrew Maxwell
159. E.C. Strode
160. Thomas Sherlock Graham
161. E.E.C. Quick
162. Frederick Revans Chapman
163. Gibson Ferrier
164. John McNall
165. F. Renshaw
166. John Stephenson
167. W.A. Tolmie
168. P. K. McCaughan
APPENDIX 61

SCOTTISH SOCIETIES

Extract from the Otago Daily Times, 23 March 1875.

It seems to be becoming more and more the habit here for those who hail from certain Scottish counties to club together and commemorate the fact. No doubt it is very cheering to the community to ascertain for certain where its greatest men were born. We can imagine the infinite relish with which a native of Caithness will tell a child of Perthshire some of these touching incidents of his childhood which might without this provocation have been forgotten. How M'Grub and his townie robbed the same orchard; and got their tawse from the same dominie; how they paidled in the same burn two score years ago; these are the innocent remembrances which will well up to their lips freshly with each successive glass. We do not know how far these county associations, which it is becoming the fashion to create, are an attempt to revive something of the old clannish feeling which it was the wont of Otago in its early days to cherish. Those days are happily passed, and all the King's horse and all the King's men will not bring them back again. There is some sense in an old Colonist Association, since mutual hardships and common difficulties endured together give a certain meaning and coherence to the idea which lies at the foundation. But why, because Sandie trundled a barrow and Bruce cried stinking fish within the same narrow limits ere they came out here, they should want to clink glasses so many times in every year, this passes our comprehension... It is nothing less than disreputable out here to introduce further distinctions among colonists than we have already got...
APPENDIX 62

SONS OF OTAGO RUNHOLDERS AND BUSINESSMEN AT CHRIST'S COLLEGE

Source: Christ's College Register

The left-hand column shows the number assigned to each boy in the Register.

8  Freeman Rayney Jackson, 1852.
14  Henry Cust Hankinson, son of E.M. Hankinson.
166 William Lambert, son of William Lambert.
174 Edward Robert Jones, son of Shadrach Jones, 1862.
342 Charles Fenwick, son of C.L.C. Fenwick, 1868-69.
343 Fairfax Frederick Fenwick, son of C.L.C. Fenwick, 1868-69.
374 John Jones Cargill, son of John Cargill, 1869-73.
377 E.H.D. Bell, son of Sir F.D. Bell, 1869-77.
388 Alfred L.A. Eccles, son of A. Eccles, 1870.
442 Ivon Cameron Fraser, son of Captain Fraser, 1872.
471 Joseph Douglas Webster, son of George Webster (Dome station), 1873.
539 Herbert Shakespeare Fenwick, son of C.L.C. Fenwick, 1873-77.
529 Frederick Herbert Acland Cook, son of George Cook, 1874.
539 Alfred Reginald Hardy, son of H.F. Hardy, 1874-75.
560 Hugh MacNeil, son of Hugh MacNeil.
564 Donald Guise Larnach, son of W.J.M. Larnach, 1874-76.
574 Robert Henry Low, son of R.A. Low, 1875-76.
583 Hugh Tolmie, son of W.A. Tolmie, 1875-78.
584 Roderick Alexander MacCleod, son of MacCleod of Dunedin, 1875.
605 Edwin Henry Hardy, son of H.F. Hardy.
618 John Joseph Thomson, son of Thomas Thomson of Port Chalmers.
654 Cecil Strode, son of A.C. Strode.
713 John Bastin Logan, son of John Logan.
719 Joseph Cowie Nichols, son of Charles Nichols.
James Ernest Maitland, son of J.P. Maitland, 1877-78.
Christian Fraser, son of Captain Fraser.
Ernest Henry Martin, son of Martin of Dunedin, 1877.
Charles William Rattray, son of James Rattray, 1877-80.
William John Watson, son of William Watson, 1878.
Cecil Francis Black, son of C.F. Black, 1878-79.
Hastings Wentworth Moran Black, son of C.F. Black, 1878-80.
Harry George Harvey, son of J. Harvey, Dunedin.
Harry Robert Webster, son of Dr Webster, 1878-79.
George William Barton, son of George Barton.
Frank Kettle, son of C.H. Kettle, 1878.
William Sievwright, son of Basil Sievwright.
Henry Holmes Miller, son of Sir Henry Miller.
Henry Tibbits, son of C.H. Tibbits, Mataura.
Norman MacLeod Orbell, son of M.C. Orbell.
Charles Alfred Beal, son of L.O. Beal, 1879-80.
Joshua Roberts, son of W.C. Roberts.
Reginald Fortescue Cook, son of George Cook.
Thomas Butement, son of John Butement.
John Wright, son of J.E. Wright, 1882-88.
Elliston Scott Orbell, son of Henry Orbell.
William Nicholson Miller, son of Sir Henry Miller.
Weldron Hastings Orbell, son of MacLeod Orbell.
Richard Alfred Seaward Cantrell, son of R.S. Cantrell, 1882-84.
Frank Williamson Fitchett, son of Dean Fitchett.
James Alexander Walcott, son of J.A. Walcott.
William John Lindsay Dymock, son of W. Dymock.
William Harold Buckland, son of J.C. Buckland, 1883-86.
William Hamilton Turnbull, son of George Turnbull, 1884-85.
Edward Henry Alexander, son of Dr E.W. Alexander.
Frank Reynolds Wright, son of J.T. Wright.
Henry Norman Rex Child, son of Henry Child.
Charles Freeman, son of J. Freeman.
Ivon Arnold Borton, son of John Borton.
William Ernest Guthrie, son of W. Guthrie, 1886.
1283 Frank Elgin McLean, son of the Hon. Sir George McLean.
1341 William Henry Rutherford Grant, son of Alexander Innes Grant.
1370 Charles Edwin Gibbs, son of H.J. Gibbs.
1435 Percy Layton Spence, son of Edwin John Spence.
1523 William Soltau Pillans, son of W.S. Pillans.
1583 Claude Rolland Black, son of William Black.
APPENDIX 63

ILLUSTRATIONS
Illustrations One and Two

Two of several New Zealand Punch cartoons featuring Richard Oliver and John Hall as the "rat catchers" who had tempted four Auckland members to abandon Sir George Grey in 1879.
THE RAT NUISIBLE ACT, 1879.
THE NEW CONTINUOUS MINISTRY.
"But rats and mice and such small dear
Will be John's food for seven long year!"
(King Lear modernised.)
"The rule against trade took on a new form in Australia. It was used to draw the line below merchants and so to exclude shopkeepers. Wholesale trade was allowable to a gentleman; retail trade was not." - J.B. Hirst, *The Strange Birth of Colonial Democracy*, p. 108.

Attempts were made to enforce the same distinction in Otago, as this James Brown cartoon illustrates. Hocken's note explains the context.
Two New Zealand Punch cartoons featuring Atkinson, Whitaker, Hall, Pyke and Wakefield and their associations with the Bank of New Zealand.
He Appeals to Justice,
And challenges his Opponent in "Morality, Honesty, and Integrity."—Vide Nomination speech.

Illustrations Six and Seven

Two cartoons hinting at corrupt dealings between Fish and Proudfoot. See ODT, 22 July 1884.
Illustrations Eight to Eleven

A series of cartoons from the Democrat featuring George McLean and his part in the collapse of the Colonial Bank.

THE DEMOCRAT.

THURSDAY, MARCH 11th, 1897.

COLONIAL BANK:— "Look at those wretches who have ruined us all."
NEW ZEALAND JUROR:— "I'm darned if I'm a goin' to waste powder an' shot on either of these dummies of yours, but if you'll come out yourselves like men, I'll have a bloomin' pot at you."
SUNDAY at 3 p.m. Sermon on "COMMERCIAL MORALITY," by an Overdrafter. Admission by ticket only.
Lean George.—"Please sir it was him, it wasn't me what broke it, sir!"

Dominic Williams.—"Come now. I can't always keep thrashing Joe, he can't possibly do everything, and you should have taken better care of your slate."
NOT A PIECE JOB.

Mrs. Verna.—Look, here, Mrs. Simpson. This won't do. You're killing the fowl that lays the golden eggs. What is to become of our thousand a year if you bury those two through the mill at this rate.

Mrs. Simpson. I don't know, and I don't care.
APPENDIX 64

MAPS OF THE NEW ZEALAND AGRICULTURAL COMPANY'S WAIMEA ESTATE
PLAN OF WAIMEA ESTATE
THE PROPERTY OF
THE NEW ZEALAND AGRICULTURAL COMPANY,

Scale 0 1 2 3 4 5 Miles

LANDS INCLUDED IN THE COMPANY'S PROSPECTUS

COMPRISES 170,000 ACRES, FREEHOLD,
AND 139,000 LEASEHOLD.

The parts colored Pink are Freehold,
Yellow . Leasehold.
Blue . Leasehold. Educational Farm,

The lines of Railway now running are shown thus

THE NEW ZEALAND AGRICULTURAL COMPANY,

136 Oughterston

The lands included in the company's prospectus.
BIBLIOGRAPHY

A. PRIMARY SOURCES

Published Material

Adam, J.  Twenty-Five Years of Emigrant Life in the South of New Zealand, Edinburgh, 1876.

Barr, J.  The Old Identities, Dunedin, 1879.

Barry, W.J.  Past and Present and Men of the Times, Wellington, 1897.


Bathgate, J.  An Illustrated Guide to Dunedin and its Industries with Notices of Several of the Chief Towns in Otago, Dunedin, 1883.


Bruce, R.C.  Reminiscences of a Wanderer, Wellington, 1914.

Blair, J.  Lays of the Old Identities, Dunedin, 1889.

Booth, R.B.  Five Years in New Zealand, 1859-64, London, 1912.

Carrick, R.  A Romance of Lake Wakatipu, Wellington, 1891.

Clyde, A.  Te Kooti & Other Poems, Dunedin, 1872.
Bibliography


de Latour, C.A. The de Latours in New Zealand, Gisborne, 1923.

Farjeon, B.L. Shadows on the Snow, Dunedin, 1865.

Ferguson, C.D. Experiences of a Forty-Niner in Australia and New Zealand, Melbourne, 1879.

Fergusson D. Sketches of Gossipton, Dunedin, 1893.


Kinross, A. My Life and Lays, Invercargill, 1899.


Larkworthy, F. Ninety-One Years, London, 1924.

Macassey, J. (ed.) Reports of Cases Argued and Determined in the Supreme Court of New Zealand, Southern District, 1861-72, Dunedin.
Bibliography

McKeown, M.  Some Reminiscences of a Miner's Life: or Five Years on the Goldfields of New Zealand, Ohio, 1893.

MacKenzie, F.W.  Overland from Auckland to Wellington in 1853, Dunedin, 1893.

Meredith, G.L.  Adventuring in Maoriland in the 1870s, Sydney, 1935.


Preshaw, G.O.  Banking Under Difficulties, Melbourne, 1888.

Pyke, V.  History of the Early Gold Discoveries in Otago, Dunedin, 1887.
         Wild Will Enderby, Dunedin, 1873.


Scott, H.  Reminiscences of a New Chum in Otago in the Early 1870s, Timaru, 1922.

Thatcher, C.R.  Thatcher's Otago Songster, Dunedin, 1865.


Thomson, J.T.  A Sketch of the Province of Otago, 1858.

Trollope, A.  Australia and New Zealand, London, 1873.
Bibliography

Wekey, S.  
*Otago As It Is*, Melbourne, 1862.

Pamphlets and Miscellaneous Printed Material

Bates, J.  
"Life in the Cannibal Island", *Scribner's Monthly*, 1871, Hocken Library.

Braund, V.M.  
"A Romance of Trade and Politics", Wellington, 1905.

Bremner, J.G.  
"Memories of the Early Diggings", Naseby, n.d.

Dobson, R.  
"To the Shareholders of the Colonial Investment and Agency Company Ltd: A Reply", Dunedin, 1892.

Hassing, G.M.  
"Pages From the Memory Log of G.M. Hassing, Sailor-Pioneer-Schoolmaster", Invercargill, ca 1930.

Hay, R.  

Isaac, E.  
"Sequel to 'A Cry of Distress'", Dunedin, 1896.

Larnach, W.J.M.  

"Omega"  


Purnell, C.W.  
"The New Zealand Confederation", Dunedin, 1877.

"Prospectus of the New Zealand Agricultural Company", Hocken Library.


Selwyn Smith, H. "The New Zealand Shipping Company Ltd, and the Late General Manager", Sydney, 1880.


"The Examination of The Hon. George McLean by the Liquidators of the Colonial Bank", Dunedin, 1896.


Official Publications and Company Reports

Annual Reports of the Bank of New Zealand, Hocken Library.

Annual Reports of the Colonial Bank of New Zealand, Alexander Turnbull Library.

Annual Reports of the New Zealand Shipping Company, Alexander Turnbull Library.
Bibliography

Annual Reports of the National Insurance Company, Hocken Library.

Appendices to the Journals of the House of Representatives of New Zealand.

Appendices to the Journals of the Legislative Council of New Zealand.

Journals of the House of Representatives of New Zealand.

Otago Hansard, Dunedin, 1870.

Otago Provincial Gazette.

Parliamentary Debates.

Return of the Freeholders of New Zealand: 1882, Wellington, 1884.


Newspapers and Periodicals

Arrow Observer, Arrowtown, various issues, 1870s.

Age, Melbourne, 1861-62.

Australasian Insurance and Banking Record, Melbourne, 1882-1890.

Australian and New Zealand Gazette, London, various issues, 1860s.


Bruce Herald, Milton, various issues, 1860s-1880s.

Cromwell Argus, Cromwell, various issues, 1870s.
Bibliography

Daily Telegraph, Dunedin, various issues, 1860s.

Democrat, Dunedin, various issues, 1890s.

Dunedin Age, Dunedin, various issues, 1880s.

Dunedin Punch, Dunedin, various issues, 1860s.

Dunstan Times, Clyde, various issues, 1860s-1880s.

Echo, Dunedin, 1869-1873, 1880-1883.

Evening Chronicle, Wellington, various issues, 1870s.

Evening Post, Wellington, various issues, 1870s-1880s.

Evening Press, Wellington, various issues, 1880s.

Evening Star, Dunedin, various issues, 1860s-1880s.

Hawke's Bay Herald, Napier, various issues, 1860s-1870s.

Illustrated New Zealand Herald, Dunedin, various issues, 1860s-1870s.

Lake Wakatip Mail, Queenstown, various issues, 1860s-1870s.

Land and Sea, Dunedin, various issues, 1890s.

Mercantile Gazette, Dunedin, 1876-1890.

Morning Herald, Dunedin, various issues, 1870s-1880s.

Mount Ida Chronicle, Naseby, various issues, 1870s.

Bibliography

New Zealand Graphic, Auckland, various issues, 1890s.

New Zealand Herald, Auckland, various issues, 1870s-1880s.

New Zealand Journal, various issues, 1840s.

New Zealand Mail, Wellington, various issues, 1870s.

New Zealand Punch, Dunedin and Wellington, various issues, 1870s-1880s.

New Zealand Presbyterian, Dunedin, 1879-1893.

New Zealand Tablet, Dunedin, various issues, 1870s.

New Zealand Times, Wellington, various issues, 1870s.

Northern Advocate, Whangarei, various issues, 1880s.

North Otago Times, Oamaru, various issues, 1860s.

Oamaru Times, Oamaru, various issues, 1860s.

Otago Christian Record, Dunedin, 1869-1874.

Otago Daily Times, Dunedin, various issues, 1860s-1890s.

Otago Guardian, Dunedin, various issues, 1870s.

Otago News, Dunedin, various issues, 1840s.

Otago Punch, Dunedin, various issues, 1860s.

Otago Witness, Dunedin, various issues, 1860-1890s.

Otago Workman, Dunedin, 1887-1900.
Bibliography

The Press, Christchurch, various issues, 1870s.

Saturday Review, Dunedin, various issues, 1860s.

Southern League, Dunedin, 1871.

Southern Mercury, Dunedin, various issues, 1870s.

Southland Daily News, Invercargill, various issues, 1870s.

Sibylline Leaves from the Pages of a Philosopher, Dunedin, 1869.

The Times, London, various issues, 1860s-1870s.

Timaru Herald, Timaru, various issues, 1870s.

Tuapeka Recorder, Lawrence, various issues, 1860s.

Tuapeka Times, Lawrence, various issues, 1860s-1880s.

Waikouaiti Herald, Waikouaiti, various issues, 1870s.

Yeoman, Wanganui, various issues, 1880s.

Manuscripts and Archival Material (with some annotations)

Alexander Turnbull Library

Atkinson, Sir H., Papers, MS Papers 91.

Brown, J.E., Papers, Micro MS 373-374.

Bank of New Zealand Papers, MS 1886-1889 P.
Dalgety Rattray & Co., Papers, MS Papers 311.

Fergusson, Sir J., Papers, MS Papers 1047.

Fisher, G., Papers, MS Papers 103.

Fry, J.A.B., "Reminiscences", Micro MS 856.

Hall, Sir John, Papers, MS Papers 1784.

Kerr, A., "Reminiscences", qms ker.

Larkworthy, F., "Reminiscences"; bound volumes of inwards correspondence, qms 1873-1879 P.

McLean, Sir D., Papers, MS Papers 32.

Mantell, W.B.D., Papers, MS Papers 83.


McArthur, D., Papers, MS Papers 723.


New Zealand Loan & Mercantile Agency Company, Minutes of the New Zealand Board and Special Reports on Unproductive Capital, qms 1866-1958.

New Zealand Shipping Company: letterbook, shareholders' register and minutes of the Dunedin Board, MS Papers 1148.


O'Hallaran, G.S. Autobiography, MS Papers 1345.
Reid Papers, MS Papers 2631.

Revans, R., Papers, MS Papers 1516.

Rolleston, W., Papers, MS Papers 446.

Stout, Sir R., Papers, MS Papers 40.

Stafford, Sir E.W., Papers, MS Papers 28.

Vogel, Sir J., Papers, MS Papers 2072.

Walker, W. & J.G., Papers, MS Papers 366.

National Archives

Otago Province, series 6, 8.

Inland Revenue Department, series AAEC.

Auckland Public Library

Sir George Grey Papers, NZMS 127.

Hocken Library

Buchanan, Dr A. Diaries, misc MS 773.

Bathgate, J. MS Autobiography.

Colonial Bank of New Zealand Papers, UN 7.

Cooper, T. "Both Sides and Between: A Journey from Dunedin to the Diggings at West Taieri 1863".
Crawford, W., Papers, misc MS 95.


Gillies, J.L., Papers, MS 1064.

Hassing, G.M. "Pages From the Memory Log of G.M. Hassing".

Hallenstein, B., Papers, UN 139.

Hocken, T.M., Correspondence, M., 1.

Hyde Harris, J., Papers, misc MS 378.

Martin, W., Papers, M., 1 203.

MacKerras & Hazlett Papers, M., 1/799.


National Insurance Company Archives (Board minutes, annual reports and registers of shareholders.)

New Zealand & Australian Land Company Archives (microfilm, including various reports on the Company's properties, the Douglas & Alderson letterbook and the Report of the Trial of the Directors of the City of Glasgow Bank).

New Zealand Shipping Register.

Otago Club, minute books and lists of members, M., 1 716 A-12.

Otago Daily Times and Witness Company, board minutes, AG 44.

Pillans, F.S. Diary, M., 1 616/E.
Ritchie, J.M. Papers. (These form part of the archives of the National Mortgage & Agency Company and include Ritchie's private diaries and his outwards correspondence. There are some letters written by George Gray Russell in the early 1870s. Apart from some overlap between three letterbooks in the 1870s, the letters are arranged in chronological sequence in separate letterbooks.)

Roberts, Sir J., Papers, M., 1 625.

Ross & Glendining Papers, UN19.

St Paul's Cathedral, membership records and seatholders, AG 147.

Sievwright, James, Nichol & Stark, outward letters of B. Sievwright, UN 29.

Stock Mortgages, ex Commercial Affairs Department.

Strachan, J. "My First Twelve Years on My Own, Commencing from 20th April 1856 - Nearly Sixty Years Ago", 1911.

Valpy, C., Papers.

Westport Coal Company archives, board minutes and clipping books.

Files of Defunct Companies.

Otago Early Settlers Museum

Burns, Rev. T., Papers.

Cargill Family Papers, notes compiled by E.B. Cargill.

Cardrona Miners' Association, minute book.

de Carle Papers.
Bibliography

Forman, R.H., Papers.

Hislop Papers.

Larnach, W.J.M., miscellaneous papers.

Muir, T. "Notes on the Otago Legal Profession".

McIndoe, J., Papers.

Reid, D., Papers.

Reynolds, W.H., Papers.

Richardson, Sir J.L.C., Papers.

Roberts, W.H.S., Papers, MS 1206.

Wayne, F., Papers.

Miscellaneous papers and biographical material relating to: John Reid, James Rattray, F.D. Bell, Horace Bastings, G.S. Brodrick.

Dunedin Public Library

Larnach Papers

Dunedin High Court

Probate Files. These are arranged in two series. The second or new series begins in 1909.

Deeds of Bankruptcy and Assignment. Deeds filed before 1883 are not indexed and are numbered in several series, the divisions between which are not altogether clear.
Lists of shareholders of the Bank of Otago and New Zealand Banking Corporation. These were found in a cardboard box in the tower of the High Court building in Dunedin.

Archives of the Dunedin Club, Fernhill, Dunedin.

Minutes of the Club from 1874.

Register of Shareholders, 1885.

Register of Candidates from 1875.

Printed Reports and Lists of Members.

Lands & Survey Department, Dunedin: Registry of Titles

Deeds System: references have been given to the deeds themselves rather than the various index references. For instance, "Deeds 50/100" indicates the volume of deeds number fifty, folio 100.

Land Transfer System: references are to the actual certificates of title. For example, "CT 50/100 " refers to the volume of titles number fifty, folio 100.

Victoria University Library

Robert Stout letterbook.

Mason & Wales, Dunedin

Letterbooks and clippings of N.Y.A. Wales.

Church Archives

First Church: Session minutes and register of members.

Knox Church: membership rolls.
Knox College: membership records of St Andrew's, Anderson's Bay, St Stephens, South Dunedin and Caversham parishes.


(Extensive use has been made of the marriage and baptismal indexes compiled by the Genealogists' Society of Dunedin. References to these volumes have been given according to the name of the church concerned and the number of the marriage or baptism: for example, "Knox 150").

Bank Archives

ANZ Archives, Wellington.

Bank of New Zealand Archives, Wellington.

National Bank of New Zealand, Wellington.

Westpac Archives, Wellington.

Scottish Record Office, Edinburgh

BT and CS: Company files of the Colonial Investment & Agency Company of New Zealand, the Scottish & New Zealand Investment Company, the Albion Shipping Company, the North British and New Zealand Investment Company, the New Zealand Meat Preserving Company, and the New Zealand Scotch Trust.

Public Record Office, London

Bibliography

**Guildhall Library, London**

Antony Gibbs & Sons papers: MS 11, 110A; MS 11, 044.

**Cambridge University Library**

Jardine Matheson & Co papers.
<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
<th>Publisher</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acland, L.G.D.</td>
<td>The Early Canterbury Runs</td>
<td>Christchurch</td>
<td>1975</td>
</tr>
<tr>
<td>Angus, J.H.</td>
<td>Donald Reid Otago Farmers Ltd.</td>
<td>Dunedin</td>
<td>1978</td>
</tr>
<tr>
<td></td>
<td>Aspiring Settlers: European Settlement in the Hawea and Wanaka Region to 1914</td>
<td>Dunedin</td>
<td>1981</td>
</tr>
<tr>
<td>Austin, G.G.</td>
<td>75 Years of Life: a Brief History of Kempthorne Prosser &amp; Co.'s New Zealand Drug Company Ltd. 1879-1954</td>
<td>Dunedin</td>
<td>1955</td>
</tr>
<tr>
<td>Barclay, G.</td>
<td>The Extinct Lodges of Dunedin</td>
<td>Wellington</td>
<td>1935</td>
</tr>
<tr>
<td>Barnard, A.</td>
<td>The Australian Wool Market 1840-1900</td>
<td>Melbourne</td>
<td>1958</td>
</tr>
<tr>
<td>Bassett, J.</td>
<td>Sir Harry Atkinson, 1831-1892</td>
<td>Auckland</td>
<td>1975</td>
</tr>
<tr>
<td>Baster, A.S.J.</td>
<td>The Imperial Banks</td>
<td>London</td>
<td>1929</td>
</tr>
</tbody>
</table>
Bibliography

Beattie, H. 

Pioneer Recollections, Gore, 1911.
More About the Southern Runs, Gore, 1983.
Early Runholding in Otago, Dunedin, 1947.

Bell, B.M.L. 


Binney, J., Bassett, J., Olssen, E., Galloway, T. 


Blainey, G., and Hutton, G. 


Bohan, E. 


Bolton, G.C. 


Bonwick, J. 

Romance of the Wool Trade, London, 1887.

Bott, A. 


Bouwsma, W.J. 


Bridges, Y. 


Brooking, T.W.H. 


Butlin, S.J. Australian and New Zealand Bank, The Bank of Australasia and the Union Bank of Australia Ltd


Bibliography


Clarke, M. *Big Clarke*, Melbourne, 1980.


Denniston, J.G. *A New Zealand Judge*, Dunedin, 1939.


Elwell, E.S. The Boy Colonists: or Eight Years of Colonial Life in Otago, New Zealand, London, 1878.


Evans, A. Waikaka Saga, Waikaka, 1962.


<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fenton, J.A.</td>
<td>A Sketch of the Founding and Progress of the Anglican Church in Otago, Dunedin, 1898.</td>
</tr>
<tr>
<td>Galer, L.</td>
<td>Houses &amp; Homes, Dunedin, 1981.</td>
</tr>
<tr>
<td></td>
<td>More Houses and Homes, Dunedin, 1981.</td>
</tr>
<tr>
<td></td>
<td>Bricks and Mortar, Dunedin, 1982.</td>
</tr>
<tr>
<td></td>
<td>Further Houses and Homes, Dunedin, 1984.</td>
</tr>
<tr>
<td>Gilkison, R.</td>
<td>Early Days in Dunedin, Dunedin, 1938.</td>
</tr>
<tr>
<td></td>
<td>Earnslaw, Monarch of Wakatipu, Dunedin, 1957.</td>
</tr>
<tr>
<td></td>
<td>Early Days in Central Otago: Being Tales of Times Gone By, Dunedin, 1936.</td>
</tr>
</tbody>
</table>


Gourlay, H.W.  Odd Fellowship in New Zealand, 1842-1942, Christchurch, 1942.


Hall Jones, F.G.  Historical Southland, Invercargill, 1945.


<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title</th>
<th>Publisher and Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hill, R.S.</td>
<td><em>Policing the Colonial Frontier</em></td>
<td>Wellington, 1986.</td>
</tr>
</tbody>
</table>
Bibliography


Lloyd Prichard, M.F. An Economic History of New Zealand, Auckland, 1970.

Lovell-Smith, E.M. Old Coaching Days in Otago and Southland, Christchurch, 1931.


<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Whakatipu Pioneers, Wellington, 1951.</td>
</tr>
<tr>
<td></td>
<td>The Port of Otago, Dunedin, 1951.</td>
</tr>
<tr>
<td>Miller, F.G.W.</td>
<td>Beyond the Blue Mountains: A History of the West Otago District, Dunedin, 1954.</td>
</tr>
<tr>
<td></td>
<td>West to the Fiords: The History of Western Southland, Christchurch, 1975.</td>
</tr>
</tbody>
</table>
Bibliography

Moore, C.W.S.  

Morrell, W.P.  

Moore, B.A., and Barton, S.J.  
Banking in New Zealand, Wellington, 1935.

Nairn, B. (ed.)  

Nevill, E.R.  
S.T. Nevill: With a Short History of St Paul's Cathedral, Dunedin, 1922.

O' Hegarty, P.S.  

Olssen, E.N.  

Oliver, W.H.  

Orange, C. (ed.)  
The Otago Daily Times & Witness Otago Settlement Jubilee Number, 1898.


Parcell, J.H. Heart of the Desert Being the History of the Cromwell and Bannockburn Districts of Central Otago, Dunedin, 1951.


N.M.A.: The Story of the First 100 Years, Dunedin, 1864.


Pinney, R. Early South Canterbury Runs, Reed, 1971.

Early Northern Otago Runs, Auckland, 1981.


Reed, A.H.  

Reeves, W.F.  

Roberts, W.H.S.  
*Southland in 1856*, Invercargill, 1895  
*A History of Oamaru*, Oamaru, 1898.

Ross, C.S.  
*Early Otago and Some of its Notable Men*, Dunedin, 1907.  
*The Story of the Otago Church and Settlement*, Dunedin, 1887.

Roxburgh, I.O.  

Rubenstein, W.D. (ed.)  

Rutherford, J.  

Salmon, J.H.M.  

Savill, D.  

Saunders, A.  

Saunders, W.A.  
*Historical Racing Records and Trotting Clubs in Otago and Southland*, Dunedin, 1949.

Scholefield, G.  
*A Dictionary of New Zealand Biography*, Wellington, 1940.  
Bibliography

Scholefield, G., and Schwabe, E.
Who's Who in New Zealand and the Western Pacific, Wellington, 1908.

Scotter, W.H.
Run, Estate and Farm, Dunedin, 1948.

Serle, G.

Shaw, M.S., and Farrand, E.D.
The Taieri Plain: Tales of the Years That are Gone, Dunedin, 1949.

Shirres, C.

Simkin, C.G.F.
The Instability of a Dependent Economy, Oxford, 1951.

Simpson, T.

Sinclair, K. (ed.)

Sinclair, K. and Mandle, W.F.

Simmers, K.

Skinner, E.
Waitahuna Memories, Wellington, 1947.

Smith, C.V.  

Smith, D.C.  

Spiller, P.  

Spreadborough, R.  

Stacpoole, J.  

Stewart, P.J.  
Patterns on the Plain, Dunedin, 1975.

Stewart, W.D.  
A Brief History of the Dunedin Club, Dunedin, 1948.  

Stone, L.  

Stone, R.C.J.  

Sutherland, A.  
Victoria and Its Metropolis: Past and Present, Melbourne, 1888.

Sykes, T.  

Thompson, H.M.  
<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
<th>Location</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomson, J.C.</td>
<td>Records of Early Riverton and District</td>
<td>Invercargill</td>
<td>1993</td>
</tr>
<tr>
<td>Turner, G.F.</td>
<td>Early Shipping in New Zealand</td>
<td>Christchurch</td>
<td>1924</td>
</tr>
<tr>
<td>Wallace, R.</td>
<td>The Rural Economy and Agriculture of Australia and New Zealand</td>
<td>London</td>
<td>1891</td>
</tr>
<tr>
<td>Ward, A.</td>
<td>&quot;The New Zealand Gentry 1890-1910, Twilight or Indian Summer, &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Webster, A.</td>
<td>Teviot Tapestry: A History of the Roxburgh-Millers Flat District</td>
<td>Dunedin</td>
<td>1948</td>
</tr>
<tr>
<td>Wilson, J.G.</td>
<td>The Founding of Hawke's Bay</td>
<td>Napier</td>
<td>1951</td>
</tr>
<tr>
<td>Wilson, T.G.</td>
<td>The Grey Government 1877-9, An Episode in the Rise of Liberalism</td>
<td>Auckland</td>
<td>1954</td>
</tr>
</tbody>
</table>
Bibliography


**Theses & Unpublished Papers**

<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
<th>Institution and Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author</td>
<td>Title</td>
<td>Type</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Campbell, M.D.N.</td>
<td>&quot;The Evolution of Hawke's Bay Landed Society 1850-1914&quot;</td>
<td>PhD thesis</td>
</tr>
<tr>
<td>Campbell, M.J.</td>
<td>&quot;Runholding in Otago &amp; Southland, 1848-76&quot;</td>
<td>MA thesis</td>
</tr>
<tr>
<td>Cooper, M.K.</td>
<td>&quot;The Jewish Kehilah in Nineteenth Century Dunedin&quot;</td>
<td>long essay</td>
</tr>
<tr>
<td>Cox, G.</td>
<td>&quot;The Early Life of Sir Robert Stout&quot;</td>
<td>MA thesis</td>
</tr>
<tr>
<td>Dowling, M.</td>
<td>&quot;A Study in Failure: Inadequacies of the Otago Provincial Council as Illustrated by its Railway Schemes 1869-71.&quot;</td>
<td></td>
</tr>
<tr>
<td>Gore, R.</td>
<td>MS History of the National Bank of New Zealand, National Bank Archives, Wellington</td>
<td></td>
</tr>
</tbody>
</table>


Hawke, G. MS History of the National Bank of New Zealand, National Bank Archives, Wellington.


Morgan, M. "Greenfield: The Estate, its Purchase, Subdivision and Closer Settlement, long essay, University of Otago, 1983."


Pamphlets and Miscellaneous Printed Material

Creswell, D. "Early New Zealand Families", Cuttings from the New Zealand Free Lance, Dunedin Public Library.


Hearn, T.J. and Brooking, T.W.H. "Runholders, Goldminers, Estate Owners and Small Farmers: 1848-1914", unpublished paper in the possession of the authors.

Bibliography

Quin, W. "Tapanui Station, Brooksdale Estate, 1858-1910", Tapanui, 1910.


"Southland Cuttings", OER9 +Sou, Hocken Library.