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JOHN ROBERTS, MAN OF BUSINESS

AN ACCOUNT OF JOHN ROBERTS AND
THE ESTABLISHMENT OF MURRAY,
ROBERTS AND COMPANY LTD.

by
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Thesis presented in partial
fulfilment of the requirements for the
degree of Master of Arts in history in
the University of Otago, 1967.
PREFACE

It seems to me that justice has not been done to the part played by John (later Sir John) Roberts in the business community of Otago. Little, if any, reference is ever made to him in local history books, or to his wide influence in the commercial, political and farming life of the province. This thesis is an attempt to right the wrong.

When a man has so many diverse interests, the task of documenting them all becomes almost impossible. I have selected, consequently, what I feel to be his most important contributions to the development of Otago, namely the founding of Murray, Roberts and Company through which his influence was felt in dealings in the wool trade, in the development of the Otago Central Railway, and the frozen meat trade.

The role of private and public companies in opening up the country developing new industries, and as money suppliers appears to have been little touched on by New Zealand historians, according to H.J. Hanham. I hope that this thesis may throw some light on the subject.

It is unfortunate that most of the records of Murray, Roberts

and Company, to the best of my knowledge, have been destroyed. My chief source of material has been the letters which Roberts received. Only three letter books of his own letters appear to be extant. My study has been limited, therefore, to the years 1868 to 1890 approximately, the years of the extant correspondence. These, however, were the years of the expansion and development of the company to its greatest extent, and the growth of Sir John's influence in the spheres selected.

I would like to thank my supervisor, Professor Angus Ross; the various members of the Roberts family, in particular Mr and Mrs J.E.D. Roberts and Mr George Roberts who have given generously of their time and hospitality; my colleague Alan G. Smith for awakening my interest in entrepreneurial activities; Mr M.G. Hitchings and his staff at Rocken Library; and all those who have helped me in my search for information. Their kindness will not be forgotten. Finally, I would like to thank my mother whose support and encouragement made this study possible.
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BIBLIOGRAPHY
CHAPTER ONE

INTRODUCTION TO JOHN ROBERTS

John Roberts was born in Selkirk, Scotland, on 30 October 1845. His father, George Roberts, was the founder of a woollen manufacturing company called George Roberts and Company Ltd in Selkirk which is still prospering today. George married three times. His first wife, Janet (née Dickson), had two children, James and Eliza; his second wife, Mary (née Cairns), had two children, Francis and George; his third wife, Agnes (née Fowler), had eight children, Alexander (1845?-1929), John (1845-1934), Edward (1846-72), Thomas (1850-1922), Charles,1 William (1852-64), Archie (1856-66), and Helen (1857-1949).

John attended the local parish school for his elementary education before going to the Cheltenham Grammar School (Gloucestershire) for two years. The last years of his schoolboy life were passed at the Edinburgh Institution.2

1 Charles is mentioned only once in a letter from Alexander Roberts to John at the time of Archie's death. Alexander wrote of the great gap between Thomas and Helen "now that Charlie, Willie and Archie are all gone."

On leaving school he went into his father's business for two years until the firm decided to expand into the colonial market, and in September, 1864, at the age of eighteen he left for Melbourne to join the firm of John Sanderson and Company. He was a tall, slim youth with a strong face, firm mouth, blue eyes and a rather serious expression.

William Sanderson of Sanderson and Murray, a wool buying firm in Galashiels near Selkirk, had sent his son John out to Melbourne in 1857 to procure wool and skins. In 1858, John went into business under his own name, John Sanderson and Company, Wool Merchants - now a thriving wool and shipping firm with branches all over Australia. The Sandersons and the Murrays were friends of the Roberts family so it was only natural that young John Roberts should be sent to Sanderson in order to gain some experience in the colonial wool business. He was also to find buyers for Selkirk tweeds and to buy wool to send home, quite a responsibility for a boy only two years out of school.

He sailed for Melbourne from Liverpool in the Great Victoria. His diary gives a very brief account of what must have been an uneventful voyage. Apart from noting the births and deaths on board, the only details given are of various birds and fish seen, and a description of the ceremony of crossing the line which did not seem to amuse him. He celebrated his nineteenth birthday on board, commenting in his diary, "Sunday 50th October ... Today is my nineteenth birthday. I stood my friends some champagne." Few entries

in his diary are much longer than this or any more descriptive. According to comments by those who knew him, he never wasted words.

Australia was sighted on 25th November and the diary ends with another bald comment, "We are today 148 Miles from Melbourne which added to the other distances gives 13786 Miles as the total distance from Cork to Melbourne".  

His parents kept up an unfailing stream of advice from the time he left London until long after he had settled in New Zealand. His mother's letters were full of news of the family and always ended with exhortations to lead a good life. She wrote regularly every month for years so that John would never feel cut off or lost from his family. Two extracts from her letters show her concern for her son's moral well-being. The first letter quoted was probably the first letter that John received from his mother. She said:

I will write you my dear John by this months mail, and I do hope you may have a pleasant and prosperous voyage to Melbourne, and in all you do always keep in mind what is good, and never neglect your duties to God as the first and grand object of life, you will prosper all the better and may God our heavenly Father here [after?] be with you to bless and guide you.

In a later letter she wrote:

... and I do hope you will do everything that is right, always be kind, obliging, upright and industrious and do take care not to take up with bad companions.

1Diary in possession of Mr George Roberts, Wellington.
2All letters used are held in the Hocken Library, University of Otago.
3Agnes Roberts to John Roberts, undated.
4Ibid., 27 October 1864.
His father's first letters were concerned with John's business dealings and with the problems involved in settling down in a new country.

I was glad to learn from your letter that you were well and had got settled down to work, and were so comfortably put up with Mr & Mrs Sanderson — I got a very kind letter from Mr S. who seems to have formed a favourable opinion of you. I trust you will by your conduct merit a continuation of their approbation, it is impossible for me to lay down any general rule for your guidance, I may however advise you to be strictly honest and just in all your dealings, and in all business transactions to be correct and neat in your writing to any of Mr Sanderson's Correspondents, and above all should you be entrusted with money matters see that you are correct to a farthing, it is the surest and best way for furthering your own interest ... 2

Evidently, John took his father's words to heart for he continued to do well with Sanderson and later generations can vouch for his accuracy with figures.

According to comments in his parents' letters in 1864/65, he worked in the outback in Australia for a while on first arrival. What was outback to his parents in Scotland, however, was really only the country just outside Melbourne town. According to a letter from his mother 3 he lived in a cottage with a housekeeper. By September, 1865, he was working on Glenronald, one of Sanderson's stations at Wickliffe in Victoria.

At this time his financial relations with Sanderson began to worry John for he was getting no salary. His father had first mentioned it in September and told him not to worry, and by January of the following year he had this to say:

1Spelling, punctuation etc in all letters as in original.
2George Roberts to John Roberts, 25 February 1865. Henceforth referred to by initials - G.R.-J.R.
3Agnes Roberts - J.R., 25 July 1865.
... I think Mr Sanderson might have been saying something about allowing you a salary for your work - I must say that I have noticed some things which I consider rather shabby, such as making W.A. and you furnish your Room, sending you out to cut Trees in the Bush, and sending you down for the sheep sleeping out of doors in cold weather. However, my advice to you is not to mind these things in the mean time just let Mr S take his own way about your remuneration and do just as he wishes you, and be sure you do not have any quarrel or disagreement with him, but on the contrary make yourself as useful on the station as you can until some other arrangement is made...

Until this problem of salary cropped up young Roberts had been enjoying himself in his new country. His uncle, Edward Fowler, and his friends commented that he seemed to have improved in outlook. Uncle Edward, in particular, thought that he had been a little too sober and industrious.

From this time on, however, the relationship between Roberts and Sanderson became increasingly strained. It would seem that Roberts carried out his father's instructions not to quarrel, but he became more and more dissatisfied with his position. There was no more talk of a partnership with Sanderson but rather a desire to buy a station of his own. Once again his father wrote:

... I wish you to ask him [Mr Sanderson] in a civil way to

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1 Willie Archibald, a family friend from Scotland, who came out with J.R. He went back home at the end of 1865, hoping to return and buy a station with J.R. but he finally went to South Africa. His comment on Sanderson was: "a capital specimen of one of this world's worms." (22 June 1866).
3 Agnes Roberts' brother. Lived in Melbourne, possibly had a clothing business there.
4 Fowler - J.R., 23 April 1865. Also Ed. Wall - J.R., 12 December 1865.
to allow you to go to Brie Brie and if he objects to this, and if you still find yourself uncomfortable at Glen Ronald tell him at once that you can no longer submit to the treatment you have received and leave the station... I hope before long to get you into a settled place of your own... 2

During Sanderson's absence in England in the latter half of 1866 and 1867, Roberts was given the management of Glenronald. But this was only a temporary measure in his mind until he could buy a station of his own. The days of just walking into an area, however, and claiming it as a run were over. Grant's land acts of 1865 and 1869 limited the amount of land allowed to be taken up in any one year to six hundred and forty acres. The choicest land was selected for agricultural settlement in small blocks. The man who leased the land also had to make improvements within three years to the value of one pound per acre. These acts were aimed at breaking the stranglehold of the squatters and opening up the land to the small agriculturalists. Consequently the future looked a little unsettled for those who wished to claim large areas for sheep runs. The climate, too, added to their difficulties. So George Roberts began to look elsewhere for a station for his son, and during 1866 New Zealand is mentioned frequently as a suitable country. Here, George Roberts said, "...there is no want of rain, and I believe the Land there is absolutely bought and there is no Land Acts to annoy the squatters." 3

1 Brie Brie, Glenthompson, Victoria, a run bought by Sanderson in 1864. It became the favourite home of William Murray, son of John Murray of Sanderson & Murray, of whom more later.
In May 1867 George Roberts suggested to his son that he take charge of a fellmongery in Otago which belonged to Sanderson, Murray and Company until he found a station. He explained that the fellmongering trade could be made a good paying concern, and that a large business might be done in buying wool on commission and getting it consigned to London. John could thus set up a business very similar to that which Sanderson carried out in Melbourne. If young Roberts liked the skin trade he could then be taken into partnership with Sanderson, Murray and Company. His father would back him financially either in the fellmongery or on a station.¹ John, however, was not very keen to take over the fellmongery, and it was only after a great deal of persuasion from his father that he finally agreed to try it. He wanted just to rent a few thousand acres for some years until he could buy a station. But his father thought he would be much better to go into business in the way proposed and, besides, his brother Tom was now learning the skin trade with Sanderson, Murray at Galashiels in preparation for coming out to New Zealand in the following spring.²

Thus it was decided that John Roberts should go to New Zealand. His father was anxious for him to go as soon as possible but John did not want to go before July. They compromised and John and Sanderson left Hobson's Bay in the Alhambra on June 6th, 1868.

Ten days later, after a rough passage, they arrived in Dunedin, having come down the West Coast to Bluff first.³ The last

¹G.R.-J.R., 24 May 1867.
³Otago Daily Times, 16 June 1868, p.2. (Henceforth referred to as O.D.T.)
letter that George Roberts wrote to John before he sailed contained a piece of advice which he carried out to the end of his life:

As you are about to be launched into the great world of business, in a place where you have no one to consult with or advise you, and where you have to think and act for yourself, I would advise you to be strictly just and honourable in all your dealings, at the same time you must have a sharp eye to No 1...

It was advice like this which made John Roberts a successful yet well-liked businessman, an unusual combination.

Sanderson stayed in Dunedin only long enough to see Roberts established in the fellmongery before he returned to Melbourne. But John was not left alone for long in Dunedin as his brother Tom arrived on the 25th October of the same year. The idea was that should John find a station to buy, Tom would remain in charge of the fellmongery.

In the period immediately following their arrival, the two young men lived at the Fernhill Club and each day travelled out to Green Island to the fellmongery which was situated near the Kaikorai Stream, just by the railway bridge on the road to Brighton. They lived very quietly indeed, being intent on building up their business, and did not take part in the social life of the town. Dunedin was a gay, thriving community at this time with plenty of entertainment available but this side of life is never mentioned in their letters home. Business first and last appeared to be their motto. John did join the Caledonian Society and was elected to the position of

1 G.R.-J.R., 1 June 1868.
2 In 1870 Sanderson returned to London to manage the Sanderson, Murray branch there. He became J.R.'s chief wool correspondent.
3 G.D.T., 26 October 1868, p.2.
director in 1869. Later he even played golf. Their names were never mentioned in the social columns of the *Otago Daily Times*, except once during the visit of the Duke of Edinburgh to Dunedin in 1869, when they were present at a ball given in his honour. It is interesting to note that the two Misses Kettle were also present at the ball because a year later John married Louisa Jane Kettle, daughter of the late Charles H. Kettle, the surveyor. They were married at Littlebourne, the Kettle home, on 26 January 1870 and in March they left on the Airedale for California and Scotland to visit John's parents. On the way home to New Zealand in December, 1870, a daughter was born whom they called Amy. There were another ten children born over the next few years, eight of whom survived, making a family of nine.

Their first house was in Lees St where they lived for four years before shifting to Royal Terrace where they remained for nearly thirty years before finally building a huge house at Littlebourne.

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1 O.D.T., 27 October 1869, p.2.
2 Ibid., 28 April 1869, p.3.
3 Ibid., 27 January 1870, p.2.
4 Ibid., 28 March 1870, p.2.
5 Amy (m. William Menlove), George (m. Eulalie Farquhar), Agnes (m. R.H. Hunter-Weston), Louisa (m. Winstone Barron), twins (died shortly after birth) John (later Sir John, returned to Selkirk to the family business, m. A.A. Muir), Charles (m. twice, 2nd wife Elspie McLean), James (m. Emily Downes), Robina (m. Wilfred Stead, referred to as Ruby), Alexander (later Sir Alexander, m. Hannah Farquhar, sister of Eulalie).
6 Later to become Archerfield School.
7 Littlebourne was the Kettle property which had been left in trust for Mrs Kettle and her children. Roberts bought it from the Kettles about 1878 but he did not live there until about 1900. He built Littlebourne House which was given to the City on his death and has since been demolished. Not even a plaque remains to commemorate this landmark or the man who built it.
Roberts had managed to procure the lease of Lauder Station in 1869 and in 1872 bought Gladbrook Station. A year later he bought shares in Patearoa Station which was managed as a joint concern with Gladbrook. He now spent much of his time travelling between the three stations and Dunedin. Often he would leave his wife and family in the country while he returned to business in Dunedin. How his wife must have hated those long trips. They would usually stay the night at Outram before tackling the road over the hills to Gladbrook. Louisa insisted on walking down the steep winding hillsides because she thought the carriage might overturn. Years later, when his grandson and his wife used to drive in by car from Gladbrook to Dunedin to see a film, he could never get used to the idea of their driving back again that same night. To him, it was still a two day journey.

The years 1872-1885 were the years of rapid expansion both in business and private concerns. His correspondence increased so much that his father soon suggested that he employ a secretary. An entry in his diary for the 9th May reads, "Spent all day at the office writing letters and all night at home writing letters."

As early as 1871, when he was only twenty-six, he was given the power of attorney for Henry Brown, one of the owners of Ashwick Station in South Canterbury, and he had a great deal of correspondence with its manager, Melville Grey, particularly when Brown sold out a few years later. A number of his friends in Scotland gave him power of attorney to administer their business interests in New Zealand.

1 The events leading up to the purchase of these properties and their history up to 1883 is more fully discussed in Chapter 3.
His brother Tom returned to Scotland in 1872 because of the death of their brother Edward, but he hoped to return to New Zealand in 1873 as manager of a branch of the firm in Christchurch. This did not eventuate, however, and Tom consented, under pressure, to remain with the firm in Selkirk, particularly since his father decided to retire in that same year.¹ He became John's chief business correspondent on behalf of Roberts and Company in Selkirk, sending him instructions from the partners there.

Thus within a few short years John Roberts was launched into a successful business career. Soon he became the man to turn to when times were hard and wool was not selling as well as it had been. His opinions and advice were valued and people showed their confidence in him by electing him to the Provincial Council of 1875. A political career, however, was not to his liking and it was as a successful businessman that he made his mark on the community.

¹ George Roberts died in 1877. Since he had taken such an active interest in New Zealand affairs, his advice was sadly missed by John Roberts.
CHAPTER TWO

THE EARLY HISTORY OF THE COMPANY

When John Roberts decided to go to New Zealand to take over Sanderson and Murray's fellmongery, George Roberts, William Sanderson and John Murray agreed that he should be taken into partnership. A proposal of partnership was sent to John in Australia for his approval, should he decide to take up the business. Sanderson and Murray were to take two-thirds of the shares and John one-third and a salary of £200 per annum. Any capital required was to be subscribed in equal shares of two-thirds and one-third respectively, and to be subscribed by drawing on Sanderson and Murray up to £2000 and on George Roberts and Company up to £1000. These amounts were not to be exceeded. Twelve months notice should be given by any of the partners wishing to terminate the partnership. The name of the firm in this proposal was stated as Sanderson, Roberts and Company. The usual commission\(^1\) was to be charged for the purchase of wool by the new company either for Sanderson, Murray and Company or for anyone else. With regard to the commission on wool sold in London by Sanderson, Murray and Company on behalf of the new company, half was to be returned to the company by Sanderson, Murray and Company.

\(^1\) The amount considered usual is not known, but was probably 2½%.
It was also agreed that should a desirable station be for sale in New Zealand, John Sanderson and John Roberts would be empowered to purchase the same for the firm of Sanderson, Roberts and Company, and it was to be divided in the same shares as the company shares above, the capital required was to be subscribed in the same proportions, and the purchase was to be in the amount from £15,000 to £25,000 and not to exceed the latter sum.

John agreed to all the clauses, except for the name of the firm, and there is no further discussion concerning the partnership in any of the extant correspondence, nor is there a legal deed of partnership to be found. The objection to the name of the firm was possibly because of his unhappy association with John Sanderson in Melbourne, and in a letter a year later his father said, "I think Murray, Roberts & Co will do very well for the name of the new Firm."¹

Thus was born the nucleus of Murray, Roberts and Company which was to expand and prosper until 1961 when it was taken over by the National Mortgage and Agency Company of New Zealand Ltd.²

The first bank account in the name of the company was opened on 29 June 1868 at the Bank of New South Wales with a deposit of £497.³

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¹ G.R.-J.R., 30 April 1868.
² For details of the takeover see G. Parry, N.M.A. The Story of the First 100 Years, (New Zealand, The National Mortgage and Agency Co. of New Zealand Ltd, 1964).
³ A photocopy of the statement is in the possession of Mr George Roberts, Wellington. The original is in the Bank of New South Wales, Dunedin.
This small sum of money belonged to John himself and was the amount left of the £1000 which was the Roberts' share of the investment after he had bought a property and store in Stafford St for the headquarters of the company. Although his father had written to him about financing him he was forced to put his own private savings into the business until such time as his father sent him the money.

In the letter his father said:

As to money, I intend to pay all your expenses up to your arrival in Dunedin, and setting you down there free of debt with a clear £1000 as your share of the capital stock, you may draw upon us for say £700, which with the proceeds of the Tweeds and the remain of the £100 you got will put you in funds to carry out this arrangement, wool and skin buying and the balance either way can be settled afterwards, as we may probably give you an order to buy some wool for us next season.¹

He also gave him advice about taking advantage of the low prices of wool that season and to buy well of both skins and wool. Furthermore, John was to be very careful about keeping all business accounts correctly and to keep a cash book in which all items of money received and paid should be entered and balanced every week.

John took his advice and his first cash book is meticulous in every detail.²

Eleven days after the opening of the company's bank account, the first advertisement appeared in the Otago Daily Times:

The undersigned are buyers of Wool and Sheepskins and are also prepared to scour and class Wool at current rates.

Murray, Roberts, and Co,
Stafford Street, Dunedin³

¹ G.R.-J.R., 30 April 1868
² In the possession of Mr George Roberts.
³ O.D.T., 9 July 1868, p.4.
The manager of the fellmongery under Sanderson and Murray was a Mr Gray who continued in that position until July 1869 when he left to start his own fellmongery nearby. Tom Roberts then took over the position. The fellmongery had not been prospering owing to the economic depression of the last few years, and possibly the lack of direct control from, or a direct link with, Sanderson, Murray and Company in Scotland. With the new partnership giving direct control, it was hoped that the fellmongery would make better progress. The buildings, too, were small and inadequate. The first task the Roberts brothers had to undertake was the improvement of the premises, and on 24 December 1868 this advertisement appeared in the *Otago Daily Times*:

To Squatters and Others

Wool Scouring

The undersigned having considerably extended their scouring establishment at Green Island, are now prepared to enter into arrangements with runholders and others to class and scour any quantity of wool with every dispatch, and upon most reasonable terms.

As the subscribers have connections with home manufacturers and staplers, they are in a position to know the best way of getting up wools to suit the English Market, so that any parties entrusting wool to their care may rely upon its being sorted and classed in a very superior manner . . . .

Murray, Roberts, and Co.

Despite the direct link with Sanderson and Murray, and the extension of the premises, the business did not prosper as John Roberts had hoped. This was not his fault, since the prices in London were exceptionally low. He felt there was no great future in the

fellmongery business, nor was he satisfied with his share of any
profit, and he wrote to his father saying that he wished to give up
the business, or at least sever his connection with Sanderson,
Murray and Company. He wished to go into partnership with Cargill
and McLean in their land business. His father wrote back\footnote{G.R.-J.R., 4 November 1869.} to say
that it would be a great mistake to give up the wool business and
that he was on no account to do anything of the kind just because
of an exceptionally poor year. He urged his son to keep on the busi-
ness until the Green Island lease expired, or at least for another
year which would probably be a good one.\footnote{In a year of rising prices when wool and hides had been bought too
cheaply the year before, the buyers would pay above market value
to recompense the grower for the previous year.} He said, "I should think
a large and profitable business could be done in a year or two with
patience and perseverance . . . I have little doubt that you will
get £300 to £400 out of the wool trade next year, which with the
profit of the station is very good for the short time you have
been at the business."

In his next letter, however, George Roberts grudgingly
conceded that his son's plan to join up with Cargill and McLean
was feasible, but told him to act with caution, making sure that
the other two were solvent, and that he should part with Sanderson
and Murray on friendly terms, either by agreement or by giving a
year's notice as stated in the deed of partnership. He suggested
that John went home after the wool season was over to see what could be done with Sanderson and Murray, and that in the meantime he should not make any positive agreement with Cargill and McLean.

John accordingly went home in 1870, taking with him his bride, and returned at the end of the year with his differences apparently settled.¹ There is no further mention of an association with Cargill and McLean.

The next three or four years showed a slight improvement in the fellmongery business. There was an unfortunate incident in 1872 when a Robert Sanderson,² who had been working for the firm, and a man called Evatt stole £200 from the company's office. Evatt was caught and convicted but nothing more was ever heard of Sanderson.

The danger of flooding also posed a problem. The Kaiorai stream floods very easily, even in this present era, particularly when its mouth silts up. In May 1872, in his diary, Roberts noted the building of a new dam down the creek from the old one of which he was to pay half the cost. He hoped to get the piles from Shand's Bush in Green Island but he would pay four shillings each if he could not. That winter the foot bridge at the fellmongery was swept away in a flood and the people had to cross on stepping stones, which was most inconvenient for them, so, in the summer, a new bridge had to be built.³

It was not only the danger of floods but the general inclem-

¹ There are no letters for this year and no reference was made in later letters to the 1870 negotiations so one can only conclude that the differences were settled satisfactorily if temporarily.
² It is not known whether he was a relation to John Sanderson.
³ Otago Witness, 16 November 1872, p.9.
ency of the weather which caused the greatest inconvenience to progress. In the winter it was very difficult to dry the wool and skins without an artificial drying process, which the fellmongery did not possess. This helped aggravate John's feelings that the fellmongery should be given up. His relations in Scotland, however, urged him to keep on with it. His father wrote that his balance sheet was very satisfactory indeed, "the like of which will not occur again in a hurry." This included, however, the profits of the wool buying and selling for private clients which he had recently begun. He was authorised at the end of the year to erect a building with a drying apparatus which saved him a great deal of uneasiness.

In June 1872 Mr Gray was once again engaged to manage the fellmongery at a salary of three pounds ten shillings per week and a bonus if a good result was shown at the end of the year. Roberts wrote in his diary, "I said that if the business was very good say £3000 profit he might expect as much as £30 of a bonus." He now had more time to spend at Gladbrook, to attend Provincial Council meetings in the following year, to look for more land to buy, and to attend to his clients' interests - many of whom were absentee landlords and wool buyers.

Despite the improvements and extensions to the original buildings, the fellmongery never became an asset to the company. Trade fell off again in 1875 and Roberts took another trip home to see what could be done about the business. On his return in 1876

1 G.R.-J.R., 2 October 1872.
2 See Chapter 4 for this side of the company's business.
he took into partnership Daniel Watters and Charles Hope. These two men ran the fellmongery until 1881 when Hope left for Melbourne and Watters carried on alone. The business continued at a loss, and later in 1881 Roberts wrote to Hope.

Prices of skins here continue very high and unless we begin to tan the basils I think we will have to give up the fellmongery work. I have decided on giving the tanning a trial and have arranged with that man Walker to do the work. He takes all lists @ 4d and 2nds @ 5d and after charging all costs of tanning and allowing him 70/- per week as a wage we divide any profit with him. I shall give this plan a trial and see what we can do.

This new plan proved no more successful than any other new measures. But by this time the fellmongery had become of very secondary interest to Murray, Roberts and Company. The main work of the company was now the buying and selling of wool and the buying of stations in Otago and Southland, and the North Island which were run for the company by managers who were often taken into partnership.

In 1873 the partners in England and Scotland were so pleased with the progress of the business in Dunedin that they contemplated starting a branch in Christchurch of which Tom Roberts hoped to return as manager. This, however, came to nothing, much to Tom's disappointment, for it was felt that there was not the opening in Canterbury which there was further north.

It was another two years before anything was done about extending the company's interests to the North Island. In 1875

1 Hope settled in Sydney and worked for John Sandarson and Co. He had married Mary Kettle in New Zealand and his son Charles became Anglican Dean of Sydney.
2 J.R.-C. Hope, 5 July 1881.
3 The fellmongery was finally disposed of in 1912. The aggregate result of the thirty six years operation since the partnership with Watters was a loss of £4,694.
Murray, Common and Company began as a private partnership between Sanderson, Murray and Company, John Roberts and William Common.¹ Douglas Murray of Melbourne² was originally to manage the firm but he declined. William Common thus was made manager in his place. John Roberts felt that Murray, Roberts and Company should have a half share in the Wellington firm should Douglas Murray not take up his share, but John Sanderson would not hear of it. Had Murray, Roberts and Company had half shares with Common it would mean that Sanderson would have had very little interest in it. This did not suit him at all as he intended to run the business from London.

All the balance sheets of both Murray, Roberts and Company, and Murray, Common and Company were sent to Sanderson, Murray and Company in London for the scrutiny of John Sanderson. All decisions from both companies also had to be referred to him. In essence, them, both companies were private partnerships with Sanderson, Murray and Company, and separate from one another. John Roberts was the chief link in New Zealand between them and most of the correspondence passed through his hands. He received press copies of all the Wellington balance sheets, and either the manager or the accountant wrote a report of the company to him every month. When the North Island business expanded, he received reports from all the other centres too.

In 1877 Murray, Common and Company opened a branch in Napier, ³

¹ William Common was a Scotsman who had been in the firm of Reid and Taylor. He came out to New Zealand in 1873 and was introduced by letter to John Roberts.

² Probably the brother of William Murray who later had a son, Douglas.
and in the following year the business was extended to Gisborne. The accountant for all three businesses was Nat Kettle, brother-in-law to John Roberts, who later founded the firm of Williams and Kettle, Napier, in 1889. In 1878, also, the partnership of Murray, Dalgliesh and Company began in Invercargill.

Thus in ten years the original partnership of Sanderson, Murray and Roberts had grown into three separate partnerships owning five businesses, not to mention the various partnerships owning sheep stations. This rapid expansion was due to the increasing importance of the wool industry which, in the early 1870's, was beginning to take the place of gold as the outstanding export of the colony.

The rapid development of the pastoral industry, however, along with the stimulus of the gold rush had given the settlers a false sense of security. The decline in gold gave rise to a great deal of unemployment for the masses of immigrants who had come into the country for the purpose of seeking gold. The Maori wars of the 1860's had placed a great burden of debt on the colony. £3,000,000 had had to be borrowed from England in order to finance military settlements and operations. With the decline in gold came the problem of how to make both ends meet. By 1870 New Zealand was £7,841,000 in debt, which was due not only to the wars but also to the heavy Provincial borrowing for development. Julius Vogel's policy to improve the situation by a rapid development of the country on more borrowed money left the country nearly £30,000,000 in debt by the end of the 1870's.

1 These are discussed in Chapter 3.
Rising prices in wool and hides in 1872-73 encouraged the settlers in over-optimism and lack of caution. They ignored the sharp fall in wool prices in 1874 which was the beginning of a long period of low prices. John Roberts, however, did take notice of these signs and warned his friends in England and Scotland to have nothing to do with Vogel's schemes. Despite the rapid advances of his business he was not surprised to receive a letter from John Sanderson after the collapse of the City of Glasgow bank, which said:

I trust both you and M.C. & Co and M.D. & Co acted immediately on our telegram of 16 Oct sent to W'ton and that you have all curtailed as much as possible your liabilities and are keeping advances down to a very low point, of M.C & Co's Acct: we have written specially to themselves and W. Murray and we rely on you keeping the I'cargill business for the present within the very smallest compass you possibly can, for until things take a turn we do not care how little you do all round.¹

A few days later he received a letter from William Common commenting on the above instructions, "I feel pretty sure that when we hear from them [Sanderson and Murray] we will find that they have good, sufficient reasons for cancelling their orders, I think with you that it may be 3 or 4 years before we have a recovery in business."²

Roberts, nevertheless, was able to write quite optimistically to Sanderson about the state of affairs in Otago:

As far as we are personally concerned we have not had the slightest trouble & our Bankers have not in any way indicated that we were enjoying accommodation which they could not continue. Certainly our overdraft is pretty large (at present about £24500) but the Bank hold the deeds of the

¹ J.S.-J.R., 4 December 1878.
² Common-J.R., 1 January 1879.
stations which are very ample cover. I had expected that it would have been £5000 less as I had hoped that SM & Co would have allowed the credit to stand for a year longer, however our a/c with you is now squared, we will not again I hope require to ask any further assistance. I expect when the wool skins at present in the fallmongery are reduced to their usual quantity that the overdraft should be down to something about £22000. I think if the present state of the money market continues I will not be justified in asking the Bank for further accommodation to pay interest on capital to Partners in end of June and that it will be prudent to capitalize interest this year. We are also due GR & Co something like £7000 which is lying at 8%. If I can manage it I would like to pay this off before this time next year. Our liabilities are almost entirely confined to the Bank & GR & Co since the credit from S.M. & Co has been wiped off. I hope to keep the cost of the working of the stations entirely going from the sale of fat stock from Gladbrook so that the wool in December next should reduce our liabilities £10000.1

Prices were falling all over the world at this time, particularly in farm products because of the greatly increased output from North America and Russia. But the depression was not felt in Otago until 1880. Money became scarce, and the scarcity was acutely felt because of the previous period of very free money with much speculation. It was said to be a testimony to the substantial character of Otago's resources that this trial was passed with comparatively few commercial failures.

The falling prices in Europe, however, was not the only reason for the curtailing of business in the North Island. It was evident from the monthly reports and balance sheets that Common's managership was not all that it could be. Charles Murray2 wrote to John Roberts:

1 G.R.-J.S., 9 April 1879.
2 Charles Cairns Murray, son of John Murray and brother to William, was on a tour of New Zealand at that time. He later settled first in Wellington and then at Clive Grange out of Napier.
... I had a good go into the books with N Kettle & found that S M & Co had good grounds for complaints - There is nothing to be really alarmed at, but there is no doubt that Common has been outstepping his bounds a long way & has got into a lot of business which I consider very unsatisfactory & which I have told him he must get rid of as speedily as possible. The unfortunate part of it is that it will take some little time to accomplish that I'm afraid - I was very much dissatisfied with the style in which he has been carrying on his business in Napier & told him so very plainly, and that if N C & Co was to exist in its present form, things would have to be done in a very different style.

The outcome of all this was that Common was ordered to come to Wellington to give an explanation of his business dealings to Charles Murray. A few days after his interview, Murray sent a telegram followed by a letter to John Roberts saying, "Please come without fail, as we must go to Napier together - they are in a rare mess there with their advances."

It turned out that Common had been running the Napier and Gisborne businesses on credit alone. Most of the debts were fairly small, but many of the people with large debts proved difficult and had to be forced to pay up. One example of these was the Honourable Henry R. Russell who owed the firm £8,900. Numerous letters and telegrams passed between him and Roberts arranging meeting places in various parts of the country to discuss his business, but when Roberts arrived at the meeting place Russell would not turn up. Then Russell would write a letter of apology some weeks later, and after more correspondence another meeting place would be arranged but the same thing would happen. Roberts chased him round the country.

1 C.M.-J.R., 17 January 1879.
2 C.M.-J.R., 7 February 1879.
for a year or more before he finally took legal action against him and Russell left the country.

When Roberts went to Napier with Murray and saw the state of affairs there, he immediately advised dissolution of the partnership. It was some months, however, before a settlement could be agreed upon, and it was not until November 1879 that Roberts could write to Sanderson to give him the basis of the settlement which was as follows:

1) The Napier debts would be taken by Murray, Roberts and Company at a nominal value less £5000 for depreciation.
2) Common would take over the Gisborne branch, receiving all the assets and discharging all the liabilities according to the signed balance sheet and the profit and loss account of the 30th September 1879, except that the amount owing to the Wellington branch was to be taken over by Common in full satisfaction of all claims that he might have against the late firm.
3) All stores in Gisborne would be taken at cost by Common less three and a half per cent except that grass seeds were to be taken at last stocktaking values less three and a half per cent.
4) All stores in Wellington and Napier would be taken by Murray, Roberts and Company on the same basis as clause three.
5) Common would retain his liability of all mortgage loans which Murray, Common and Company had guaranteed and he would receive his share of the guarantee commission, namely one third of a half per cent.

Since the beginning of 1880 the Wellington and Napier firms have been known as Murray, Roberts and Company. Charles Murray
managed the two branches for a few months until later in 1880 he
shifted to Napier where he managed that branch for about three years
until he returned to England to work for Sanderson, Murray and
Company in 1882 or 1883. He also took Common's place in the Murray,
Roberts partnership. A.C. Lang\(^1\) became manager after Murray left and
was made a partner in 1884. A.H. Miles was made manager of the
Wellington branch after Murray left for Napier. He too was made a
partner in 1884.\(^2\)

The former Gisborne branch became W.B. Common and Company
occupying premises near the Trafalgar Band Rotunda in Gisborne.
In 1882 Common was joined by Frederick James Shelton, a Londoner
formerly of Sanderson, Murray and Company and Murray, Roberts and
Company of Wellington. The firm then became Common, Shelton and
Company, and its premises were extended to its present site in
Peel St.\(^3\)

It took over a year for Murray, Roberts and Company to start
out the difficulties that Common had got himself into. The mid-
year report for 1880 showed some of the problems the company had

\(^1\) A.C. Lang was the brother of Andrew Lang the writer. He had known
the Roberts family in Scotland. He retired in 1892 and his place
was taken by Leslie Sanderson, son of John Sanderson.

\(^2\) Miles joined the firm in 1877 and stayed with it for 64 years.
He died in 1941. Roberts always had the greatest confidence in him.

\(^3\) It became a public company in 1892 when its directors were John
Clark, F.G. Shelton, C.Gray and Massey Hutchinson. Shelton, the
managing director, retired in 1902, and Common took over until
1906 when he returned to Scotland. (Ref. Gisborne Herald,
9 March 1956.)
to overcome and the losses it sustained at the beginning of the
depression years. The profit and loss account from 30 September 1879
to 30 June 1880 could have shown a very good result had there not been
a large sum to write off for bad and doubtful debts. But the actual
nett loss was £7351 15s 3d. Roberts hoped that at the next balance
they would only be called upon for a moderate sum for bad debts.
There was also trouble over the registration of the security on a
property in Napier instead of Auckland which was its province. This
mistake was discovered too late for it to be registered in the correct
place and the mortgage could not be enforced.

The Wellington business at this time was in a very good pos-
ition and Roberts said that he had no anxiety about any of the accounts
there. They had made an £800 profit on wool which they had sold on
their own account which was very pleasing when times were hard. He
went on to say:

Taking the whole of M.R. & Co's business in Wellington &
Napier I feel as if it were now on a satisfactory basis
and that with care we should not again get into the same
mess as it was in 18 months ago. I trust that the business
will continue on from this to do well and that the carrying
of it on will cause no anxiety to any concerned. I feel sure
that in the careful management we can rely on getting satis-
factory results. 1

It is an example of the fairness of John Roberts as well as
of the profit which the firm was making, with the exception of the
Napier branch at that time, that he gave bonuses to all the staff
in the Wellington and Napier branches in 1880, saying that they
should not be blamed for the failure of Murray, Common and Company.

1 J.R.-J.S., 27 July 1880.
He wrote to Sanderson of the loyalty and hard work of the men concerned and hoped that Sanderson would approve of the bonuses. Increases in salary were also given to the staff in the Dunedin office. Mr Haycock, whose yearly salary was £400, was given a bonus cheque for £100; Mr Hamilton's yearly salary was noted as £150; Mr Snodgrass's yearly salary was increased from £100 to £125; Mr Morris's salary of £1 per week was increased to thirty shillings.

In the same report to Sanderson he also asked if the interest on capital could be paid out to the various partners in cash instead of capitalising on it. Both he and Charles Murray were finding it difficult to live on their salary, and unless they received the interest on their capital paid at the end of the year, they would be obliged to withdraw capital to make up the difference between their expenditure and their salary. Since the firm had a capital of £25,000 he felt that it could well afford to pay out the interest.

He had previously written to Sanderson in March 1880 that he had withdrawn £1000 from the capital account in order to pay off his own private overdraft. He said then that it took him £1300 a year to clear expenses, which he was not getting on his manager's allowance. It was the same problem cropping up again as it had in 1866, 1870 and 1875 - too small a salary. Sanderson and Murray, or should it be John Sanderson alone, did not appear to realise the expenses that Roberts had in travelling around New Zealand looking after the interests of the firm and their clients, and in entertaining clients when they came to town. He was also on the board of directors of numerous

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1 Not stated whether his salary had been £150 and was remaining at that, or whether it had been increased to £150.
2 A memo of these salaries survives on an old piece of paper in a letter book.
companies and was made president of most councils to which he was elected, which added to his expense account.

It would appear from the correspondence throughout the years that it was John Sanderson who held the Company's purse strings and that he was not over-generous with money. Both John Murray and William Sanderson had remained in Scotland and had little to do with the firm in London after John Sanderson had taken charge of it in 1870. Since Sanderson, Murray and Company held the major shares in Murray, Roberts and Company, John Sanderson had the final say in all decisions including salary. It was unfortunate for Roberts that Sanderson never realised his worth.

The Invercargill business of Murray, Dalgliesh and Company was the smallest concern of them all. It was really a partnership between Murray, Roberts and Company, and John Dalgliesh, and insurance agent in Invercargill. Dalgliesh acted as the Company's agent for Southland and dealt with all the business there. Every month he sent in a report of the accounts of each client which was forwarded to London along with the balance sheets. Little is known about the business except that it never appeared to run into difficulties and it made a reasonable profit. It seems that the partnership broke up in 1892 when Dalgliesh left Invercargill.¹

In 1881 Roberts began negotiating for a site on which to build a larger office. He finally purchased a property in Bond St on the 2nd December 1880 from the Bank of New Zealand, which had decided not to build on that site but on one on the corner of Rattray

¹ The Southland Directory has no further entries for John Dalgliesh or Murray, Dalgliesh and Company after 1892.
St and Princes St instead. The section cost £4,500 and a new building was to cost the same amount. Half the section was sold by Roberts as it was too large for one firm. To whom it was sold is not known, but in 1882 a building called the Exchange Building\(^1\) was erected on the whole section, half of which was occupied by Murray, Roberts and Company. Neither is it known who financed the building, but in 1881 correspondence passed between the Evening Star Newspaper Company, who were building at the same time, and the architects, Mason and Wales, concerning a party wall to be erected between the Evening Star building in Bond St and the new building next door.\(^2\) The "Exchange people" were to pay half of the cost of the forty feet six inches of their section of the wall, which would cost them £100 6.6d. Murray, Roberts were to pay for nineteen feet six inches which was as far as the Evening Star building extended along their boundary. Later Murray, Roberts extended the wall to twenty one feet to the Crawford St boundary.

Sanderson was most annoyed when he heard of the arrangements. He wrote to Roberts:

Your announcement of the purchase of more property in Dunedin took me somewhat by surprise; and, for several reasons I regret the purchase should have been made, the chief being that S & M are unwilling to increase their holding in N.Z., they having, in our opinion, quite enough property there already and we cannot quite take your view of the necessity for increased or more expensive accommodation for offices . . . from your reply . . . I was glad to learn you had sold half the freehold . . . and I now write to say that we would prefer that you sold the remainder of the freehold and dont build at all.\(^3\)

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\(^1\) Now called the Royal Exchange Assurance Building.

\(^2\) Letters held by the Evening Star Newspaper Company.

\(^3\) J.S.-J.R., 11 March 1881.
It was too late, however, for the arrangements to be cancelled, nor did Roberts wish to cancel them. He knew that the company badly needed better and bigger office accommodation than the small room in Stafford St which Sanderson had never seen. The man on the spot usually knows what is needed rather than the man thousands of miles away. Sanderson ought to have had more confidence in Roberts' judgement, particularly since his firm had never had any reason to regret any of the decisions made by Roberts.

Murray, Roberts and Company shifted into the new premises in 1882 and remained there until the takeover in 1961. The building had cost them only £3,945 instead of the expected £4,500 so they spent the extra money on erecting a store on a Harbour Board leasehold at the eastern end of the railway overbridge in Crawford St.

It was at this time that John Roberts considered retiring from active participation in the business, wishing only to retain his directorship. He had developed the business to its fullest extent and he knew that, despite the depression, it would prosper. But unfortunately for him there was no one already in the firm who was fit to take over the managership, nor was anyone available from England at that time. Consequently he continued to manage the firm for another twelve years and there were no more rumours of his retirement until it was forced upon him by ill health in 1895. His eldest son, George, then became manager until his untimely death from appendicitis in 1903. John Roberts once again became manager until 1910 when another son, James, was able to take over.¹ At this time the firm became a

¹ James Roberts continued to manage the firm until 1948.
registered limited private company in accordance with the Companies Act of 1908.1

The firm of Murray, Roberts and Company played a valuable part in opening up the interior of Otago for farming and settlement and in the economy of Dunedin generally, as did other stock and station agencies, trading companies and investment companies at that time. The firm was also one of the first to open up the Hawkes Bay area and was thus a valuable acquisition to the National Mortgage and Agency Company who took it over in 1961.

Although Murray, Roberts and Company called itself a stock and station agency, it did not operate on the same basis as other firms who called themselves stock and station agencies. It did not finance men who wished to set themselves up on farms. The firm bought the land in its own name and employed staff to work there, or, as in the case of the managers, often took them into partnership. Roberts refused to have anything to do with the small farmer, particularly in Central Otago. He thought they were a bad risk, which was perfectly true. It was this policy, possibly, which saved the firm from ruin during the difficult years of the 1880’s and the 1890’s.

It might be preferable to think of the firm as a land investment company rather than a stock and station agency. The Company, nevertheless, was willing to trade with small farmers in goods such as seeds, machinery and provisions. It was trade in these commodities under a bad manager which got the firm into difficulties in Gisborne as has been demonstrated. But there was never a great risk in such

1 This act required all companies in New Zealand to be registered either in their own town or in Wellington. Murray, Roberts and Company was registered in Wellington.
a trade, especially since the firm had many other interests in which to recoup any losses from it.

The other major activity of the Company was wool broking, about which more will be said in chapter four.

The achievement of Murray, Roberts and Company was quite considerable when one realises that it was, on the whole, a family concern. Its rapid expansion was as much due to the foresight of George, Thomas and John Roberts as to the good conditions in New Zealand. It was their shrewd Scottish business sense which gave the firm the solid foundation on which it built its future.
CHAPTER THREE

THE RUNS

From the time of his arrival in Dunedin, Roberts was on the lookout for a run. Although his primary interest was in Otago, he inspected runs in South Canterbury and Marlborough as well during his first year. In March 1869 he heard that Lauder Station, Central Otago, was for sale. Lauder Station, situated north of Lauder Creek next to Blackstone Hill on the border of the Maniototo county, was comprised of runs numbers 226a, 226b, 226f, 226g, 227 and 227d. It was first applied for by two men called Davy and Bowler, but because of a boundary dispute they apparently did not hold it. In 1859 William Black of Poolburn had 3,000 sheep on it. In 1866 the owners were Des Veux and Cogle but at the time John Roberts was interested in buying it, it was registered in the name of A.W. Morris and it continued in his name until 1871 when Handyside and Roberts were given as the owners.¹

The station consisted of forty-five thousand acres leasehold and Roberts was instructed by his father to buy a thousand acres

¹ Janet C. Cowan, Down the Years in the Maniototo, (Dunedin, 1943) p.23. Although Handyside and Roberts took over the station in 1869 it is possible that the pastoral lease was continued in Morris's name and that it was from this document that Janet Cowan took her information. According to Roberts' letters, the station was bought in 1869.
of the best land in order to keep out selectors. Since no-one else would want the poorer out-lying land he could use it for sheep. This is a typical example of "spotting", the practice so denounced by Reeves, McKenzie and others. In doing this, Roberts was conforming to the common practice of runholders of the period who were trying to exclude the small settler and seize all the best land for themselves.

The price of the run was thirteen thousand pounds which included stock. George Roberts' plan for payment was to pay three thousand pounds down and pay the rest off in five years. He expected a profit of at least one thousand pounds a year, so that at the end of the second year, with two loans of a thousand each and two thousand pounds profit, seven thousand pounds would be paid off. With two further loans of two thousand pounds and one thousand pounds and the profit of the next three years, the remaining six thousand could be paid off. The loans were financed by George Roberts and Company who held the greatest shares, Murray, Roberts and Company, and William Handyside senior on behalf of his sons. The partnership was to be known as Handyside and Roberts and its affairs were to be dealt with by Murray, Roberts and Company. Hugh Handyside was the manager who lived on the property at a salary of one hundred and fifty pounds a year and a share of the profits.

The run was thought to be a very good bargain by all concerned. Its lease was valid for another thirteen years when they hoped to be able to renew it. It was decided to increase the sheep on the property and cut down on the cattle which proved to be an exceedingly

1 son of William Handyside.
good move as the Lauder wool clip brought excellent prices over the
next ten years. Roberts borrowed a small amount of money locally in
order to improve the run by building a wool shed and other necessary
buildings and thus add to the profits. He also bought another two
thousand acres of land freehold at the current price of one pound
per acre.

By 1872 Lauder Station was prospering so well that the
Roberts family decided that they would like to buy another run.
George Roberts wrote to John:

I may tell you that S[anderson] & M[urray] Willy Roberts
and I have all but made up our minds to go in for a sta-
tion up to £15000 to £20,000 but not to exceed £20000, we
will write you more fully next Nall, in the mean time, if
you should fall in with a good and cheap station, you may
ask the Seller to wai till you hear from this dide, or you
may send a Telegram if the Seller will not wait for the
next Nall, but in any case do not close the Bargain without
positive orders from this side. 1

John Roberts was pleased to receive this authorisation, as
he had had his eye on Strath Taieri Station since 1869, for it had
been advertised for sale at the same time as Lauder but the price
had been too high. One of the owners, W.P. Gordon, was anxious to
return to Scotland and the other, Alex Shepherd, did not wish to
continue on his own.

Strath Taieri Station, run 215b on the survey map, is
situated at the foot of the Rock and Pillar range on the edge of the
Strath Taieri plain. In 1869 it was bounded by Patearoa Station

1 G.R.-J.R., 23 January 1872.
2 John Roberts renamed it Gladbrook after the stream which runs through it. M.R. Thompson, East of the Rock and Pillar, (Dunedin 1949)
and Linnburn Station on the other side of the Rock and Pillar, Gartmyl Station at the western end, Barewood and Rocklands Stations at the eastern end, and the Taieri river with Gottestbrook Station on the other side.

The first lessees of the run were Harris and Innes in 1858. In 1862 it was in the possession of C. Thompson although the Land record says it was held by the previous owners. At that time it consisted of 60,160 acres with 8,001 sheep. In 1866 the run was subdivided into 213a and 213b. Alex Shepherd and William Gordon took over 213b and C. Thompson retained 213a which was later taken over by McFarlane and Humphreys in 1868 and named Gartmyl.

Run 213b consisted of 35,000 acres in 1872 of which 122 acres were freehold, and its lease still had ten years to run. The stock consisted of 22,000 sheep, 53 head of mixed cattle, one team of eight bullocks and five horses. An eight-roomed house had been built on the freehold property, also a large woolshed with yards attached, and shepherds' and shearer's huts with a detached kitchen. There was six miles of fencing which supplemented the natural boundaries of rivers and hills. The agents, Dalgety, Rattray, and Company, estimated that the country could carry 23,000 sheep. It was a purchase which could be recommended to any intending runholder and its terms were extremely liberal. The purchaser was to pay one quarter of the amount down and the remainder could be paid over the next three years at nine per cent interest.

2 Ibid.
3 O.D.T., 3 March 1869, p.4.
Once he had received his father's authorisation to buy another station, Roberts did not hesitate to make an offer for the property of £16,500. After a few months negotiations his final offer of £17,200 was accepted and the contract was signed on 12th September 1872.1 William Renwick was put in as manager but he died shortly afterwards and John Elliot took over, remaining as manager until 1905. It was during Elliot's management that Gladbrook became the largest and most prosperous run in the area. John Roberts owed much to him for his foresight and careful management.

Shortly after acquiring Gladbrook, Roberts took over Patearoa Station (run 248) which had belonged to Dr Andrew Buchanan and his sons, and was the back boundary of Gladbrook.2 The two stations were run as one unit, although there was a manager for each until about 1876 when Elliot managed both properties. It was unfortunate that Roberts had not put Elliot in charge of both properties from the beginning. The manager of Patearoa at that time was William Baldwin, a man whose chief occupation appeared to be complaining about others.3 Not once during his term of management did the station show a good balance sheet and each time he wrote a letter full of plausible excuses to John Roberts. He

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1 John Roberts' diary, 12 September 1872.
2 Details of the transaction have not been found. It appears from vague references in the 1873 letters and from H.M. Thompson, op. cit., that the run was taken over in that year. It is likely that Murray, Roberts and Company only bought some of the shares at first and later, with Sanderson and Murray, bought up the rest. By 1877 it would appear that the run belonged to them without any outside shareholders.
3 of his letters in the Roberts' papers 1873-75.
did, however, have to contend with scab. After a particularly bad year in 1875, he was bought out by Sanderson and Murray who said, "The result of Patearoa is certainly disappointing & if this is the result of Baldwin's management he may not have been bought out a day too soon . . ." Baldwin had this to say about it:

I am very sorry that the Patearoa balance sheet should have turned out so badly at the same time there are many things to be taken into consideration which I have but to mention to you to be at once recognised. With regard to the death rate for instance, I think the Balance Sheet gives but a very poor idea of the facts of the case.

As you know when we took delivery from Dr Buchanan we lost heavily when crossing the Taieri River after shearing, so much so that as you may remember Low [or Law] bet you a new hat our years losses would exceed 7½ per cent. Again there were at least 500 woolly sheep at the general mustering in April, Sheep which were counted at delivery but swelled up the death rate. Handyside, anxious to have a good Sheet next year, refused to take anything but Sheep actually shorn.

Then as to actual profits - As you know a large amount of expenses incidental to the purchasing of a Station was defrayed out of last years returns Cooks and Kenyons expenses for instance, Stamp duty on acceptances. Then again we sold the sheep so as to go into the accounts of the previous year, and there was not a single sheep in last years returns. Again the advance on wool forwarded is very low - Last year we got an advance of 1/9 on the Scoured and it averaged 2/2. This year however Mr Heycock got only 1/6 & 1/8. From this source alone I expect we shall have £500 extra. Then there are the improvements. One thing I can say, and I think you will bear me out in the Statement, and it is this that I did all I possibly could to manage the place satisfactorily and economically.

From the statements of John Sanderson and George and Tom Roberts it seems that his latter hope was not fulfilled.

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1 J.S.-J.R., 8 August 1875.
2 Balance sheet not extant.
3 Wm Baldwin to J.R., 5 July 1875.
It took John Elliot a good seven years or more to bring Pat-earoa nearer the standard of Gladbrook, a remarkable accomplishment considering the low price of wool during that period and the slump in the 1860's. A large amount was spent on improvements in 1876 which raised the 1877 valuation to £23,807. The lease on the property was renewed in 1882 for twenty-one years, with the loss of 2,500 acres for settlement.1

In the meantime, while Roberts was having his problems with Patearoa, Gladbrook was continuing to prosper and expand. The flat land was bought as freehold and each year Roberts bought a little more in order to square the boundaries. By 1881 only one hundred acres of land remained outside the boundaries, The price of the land had risen, too, from one pound an acre to five guineas, although Roberts managed to buy it for £5-2-6. He also had an agreement with the Government whereby he received a certain area of freehold for every two acres of trees planted. The first trees began arriving in 1877.2

In 1879 Roberts wrote to Sanderson giving the full particulars of all the freehold on Gladbrook at that time, which was 5903 acres.

These 5,903 acres together with the 192 acres on the Lee

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1 The 2,500 acres were presumably for what is now Patearoa township. At the end of the twenty-one years the lease was not renewed. The property passed out of Murray, Roberts and Company's hands and was cut up into smaller runs and farms.
2 H. M. Thompson, op. cit.
3 A mistake was made both in the acreage and value of the property. The corrected figures have been used here from a corrective note sent by Roberts to Sanderson on 15 August 1879.
Stream Hundred (used for a paddock for stock travelling down) are valued without improvements by the Land Tax valuer at £26,243 and I have asked for a reduction of £8,554 making the value as I estimate it £17,709 or £3 per acre on 6095 acres. Altho' I only value it just now at £17,709 I would be very sorry to sell at that price as it is bound to be worth twice that sum and more when the Railway is open which should be in about 3 or 4 years.

All the buildings of the station are on the freehold and there are some 38 miles of fencing on it - There are at present about 600 acres under English Grass . . . .

Besides the Gladbrook & Lee Stream freehold there are 75 1/4 acres in the Lower Taieri worth £30 per acre and 39 acres at the Halfway Bush (rented for 30/- per acre for grazing) worth £20 per acre.1

For the first few years, the Gladbrook land was used only for sheepfarming. But in 1877 it was decided to try extensive agriculture. The marshy flat land was reclaimed and sown with English grasses, clover and turnips. Roberts wrote to Sanderson in 1879 that there were at that time six hundred acres under English grass with the prospect of another five hundred acres to be sown within the next two months and a further five hundred and fifty acres in the following autumn. This brought the value of the land to eight pounds per acre. As well as the grasses, oats and wheat were

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1 J.R.—J.S., 18 July 1879. Roberts set out the improvements as follows:

<table>
<thead>
<tr>
<th>Improvements</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houses</td>
<td>£2800</td>
<td>£17,709</td>
</tr>
<tr>
<td>Fencing</td>
<td>2,250</td>
<td>2,250</td>
</tr>
<tr>
<td>Draining</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Planting &amp; Ploughing</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td>English grass land</td>
<td>1,200</td>
<td>1,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acreage</th>
<th>Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>192 acres at Lee Stream</td>
<td>£2 per acre</td>
<td>£384</td>
</tr>
<tr>
<td>75 1/4 acres at Taieri</td>
<td>£30 per acre</td>
<td>£2,250</td>
</tr>
<tr>
<td>39 acres at Halfway Bush</td>
<td>£20 per acre</td>
<td>£780</td>
</tr>
</tbody>
</table>

£29,275
also sown. Roberts commented to William Murray that the Gladbrook crops "are far too heavy and are mostly all laid. The oats will thrash about 75-80 bushels and the wheat 40-50. They are certainly beautiful crops - The grasses are doing wonderfully well and the 800 acres sown down this year are the finest pasture I ever saw."1 Sheep and cattle were fattened on the grass and turnips. One pound per acre was paid to farmers on the plain to fatten cattle, and in 1881 John Roberts gave evidence to the Railway Commission that Gladbrook in 1880 fattened three hundred head of cattle and four thousand sheep on turnips.2 With the advent of frozen meat it was seen that it would be profitable to breed sheep which could be sold not only for their wool and skins but also for their flesh. John Roberts, therefore, experimented with cross-breeding to produce this dual purpose kind of sheep.3 The numbers of fat sheep increased and between June and December 1882, 4,275 sheep were sold to Burnside for freezing and market. By 1886 drafts of twenty-five to thirty head of cattle were sent to Burnside every week.4 As well as sending animals to Burnside, Roberts was able to sell them locally during the Nenthorn "gold rush".5

It was during this period that two Pollad Angus bulls and three heifers were purchased. These proved a profitable investment and in 1892 John Roberts decided to establish a herd of pure-bred Aberdeen Angus cattle which was soon to become famous. John Elliot was sent to

1 J.R.-M.K., 26 February 1890.
2 H.M. Thompson, op. cit., p.40.
3 See chapter four for further information.
4 H.M. Thompson, op. cit., p.40.
5 Ibid.
Scotland to purchase three heifers and two bulls. The stock was exhibited in 1893 and aroused considerable interest. This was the beginning of an excellent show record which was to continue until the dispersal sale in 1918.\footnote{H.R. Thompson, op. cit., p.36. The herd was re-established by J.E.D. Roberts in 1935.}

In January 1882 Murray, Roberts and Company suggested that a block of five thousand acres in Strath Taieri should be taken for sale and settlement, the remainder to be re-let in two portions. Run 215b was to consist of 12,190 acres with a lease at £250 per annum, stretching from the Bergen along the eastern slopes of the Rock and Pillar. The second portion was to be called Run 215c and consisted of 26,440 acres at £441 per annum. It included the Bergen, the Weaver and all the back country of the present Gladbrook station.\footnote{Ibid., p.37.}

Both runs were leased again to Murray, Roberts and Company with Run 215c in the name of John Sanderson for the next ten years when it reverted to John Roberts.

Murray, Roberts and Company also had a small interest in two other runs in the early 1870's. One was the Henley Estate situated in the Maungatua district and bounded on three sides by water - on the south by the Waikura and Waipori rivers and Lake Waikora, on the east by the Taieri river and on the west by Lee creek. It was originally named Laitapapa and was bought from E.B. Cargill, John Reid and John Bathgate in the early 1870's by James Hills, John Roberts and George McLean. John Stevenson was appointed manager. According to an article in the Otago Daily Times in 1877\footnote{O.D.T., 11 June 1877. The article contains an extensive discussion on the method of drainage used by Stevenson and the grasses grown.},
John Stevenson was responsible for the reclamation of six thousand acres of land on which were fattened eleven thousand sheep and five hundred head of cattle. The article stated that the land could support twice that number of sheep and cattle. Except for receiving reports from Stevenson, Roberts appeared to have little interest in the property. The estate was cut up in 1909.

The other property in which Murray, Roberts and Company had a minor interest was Carterhope. This property was one of Charles Kettle's original surveys and is situated nine miles south of Balclutha at Waikera on both sides of the Kaihiku stream about one and a half miles from Warepa Station. The run was established by Adam Borthwick in the late 1850's. After the death of her husband Mrs Borthwick leased the property for eleven years, Murray, Roberts and Company were given the job of finding a manager and appointed William Ayson in 1873. Ayson commented in his memoirs that the five thousand acres at Carterhope carrying five thousand merinos comprised the best stud in Otago.1 William Telford leased the property from Mrs Borthwick until 1877 when Murray, Roberts took it over until 1883 when the Crown lease expired. Carterhope and its flock was then sold. The Carterhope wool clip had proved a great booster to Murray, Roberts and Company's sales overseas and it was a sad day for them when the flock was dispersed.

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1 William Ayson, Pioneering in Otago (Dunedin 1937). Ayson worked at Gladbrook, managed Carterhope, Moutere and Linnburn Stations, was Government Rabbit Inspector at Clyde from 1885 to 1886, and finally established his own run, "Southbrook", at Waikaka in Southland.
Not content with owning three stations and having a small interest in two others, Roberts decided that in 1878 the company could well invest in another. Ringway Station is situated at Ringway near Otautau in Southland, opposite Aparima, The Australian and New Zealand Land Company's estate. It was a small run in comparison with Lauder and Gladbrook but its richer land meant that more sheep could be raised per acre than on the high Central Otago runs. It was managed first by William Laidlaw, whose father, John Roberts' brother-in-law, had shares in the run. Laidlaw had been working on Gladbrook before going to Ringway. He remained manager for more than twenty years until he finally bought his own run, Matakanui.¹

In the 1880's Murray, Roberts and Company also took over part of Cottesbrooke, a run on the opposite side of the Taieri river to Gladbrook, which had been owned by G. Pogson and Gellibrand. The rest of it was taken over in 1894 until 1899 when it was bought by R. Hunter-Weston.² Garthmyl, run 213a, was taken over in 1895 when Humphreys sold out and was run in conjunction with Gladbrook. John Elliot bought it in 1891 but leased it to Gladbrook until 1905. This meant that during the 1880's and 1890's Gladbrook covered over half the Strath-Taieri plain and extended over the Rock and Pillar into the Maniototo. All this

¹ Since all the business of Ringway was dealt with by Murray, Roberts and Company, little is known about it from the Roberts' papers except that it proved to be a sound investment.
² Hunter-Weston married one of Roberts' daughters, Agnes.
was under the control of one man, John Elliot.

The Lauder lease was not renewed when it expired in 1882. Rabbits were making it a less profitable investment and the new sub-division by the Government meant that all the good land was taken for small agricultural farms and it was replaced by useless high country which left no low land for winter stock. Roberts was, therefore, not sorry when he was outbid for the lease. After the auction he was left with thirteen thousand acres and the freehold. These he sold to Ross and Glendinning Ltd who had taken over most of the rest of Lauder for £11,000 without cattle, horses or homestead – a profit of over £5000.

It was a natural consequence of the expansion of the company into the North Island that a property should soon be acquired there. The run was Tautane which was bought in 1878. The previous owner was M.S. Bell. It is situated on the border of Hawkes Bay and Wellington provinces, its southern boundary being in part the provincial boundary and partly Akiteo run. In 1874 it was bounded on the east by the coast from Waimea creek to Aretaora, on the west by Puketoi run, and on the north by A.S. Hill's run. Roberts often referred to it as Cape Turnagain as the Cape is just north of the run. The shareholders in this venture were Sanderson and Murray, Murray, Roberts and Company, William Hendyside and his sons, Andrew Potts, Patrick Lang, and possibly William Common. It was managed first

1 Thomas Roberts-J.R., 21 March 1882.
2 The boundaries have been taken from a map of the Hawkes Bay province, 1874, which had the names of runs or their owners superimposed in handwriting.
3 A friend of George Roberts in Selkirk.
4 A schoolfriend of John Roberts and brother of Andrew Lang the storyteller.
5 The price of the station is not known.
by Hugh Handyside who had transferred from Lauder and later by his brother Jack. Like the South Island runs it, too, proved to be a sound, economic venture. Its wool always sold well and it was found to be a good breeding ground for cattle. Tautane was run in conjunction with two other properties which were acquired over the next five years.

The second property to be bought was Clive Grange near Napier. Murray, Roberts and Company bought it for George Roberts and Company from Colonel G.S. Whitmore in October 1880 for £55,000. It was a small property on the coast not far from Clive township, bounded on the west and north by the Tukituki river, on the east by the coast, and on the south by A. McLean's property on the Maraeototara river. Charles Murray lived in the homestead for some years but the land was managed by Hugh Handyside. The run cost more than it proved to be worth, although it could be said to be a bad bargain, nevertheless it was not as profitable or successful as the others. There is little evidence to show why this should be so. It was certainly not due to bad management. Possible the recurring damage by flood and the cost of the numerous improvements made it an uneconomic proposition.

The third of the North Island properties was Marainanga, or Akiteo as John Roberts so often called it.¹

¹ Akiteo was the district around the Akiteo river which formed one of the boundaries. Akiteo run was a boundary of Tautane and, with the river, separated the two properties. From the letters Roberts appeared to be writing about Akiteo run when he really meant Marainanga.
The run is situated in the Castle Point area, 32 miles from Napier, 120 miles from Wellington and three miles from Pongaroa in the Wellington province. At that time it was separated from Tautane by the Akiteo run only, a distance of only eight miles along the coast but about twenty by the inland road. Harainanga consisted of two blocks of land, the 12,000 freehold Glencoe block and the 17,000 acre leasehold Aohanga block. At the time of the purchase in 1882 the two blocks carried 26,000 sheep and 2,000 head of cattle. The leasehold had eight years to run before it expired, with the exception of one portion, the lease of which expired a few months after the purchase had been made. Roberts wrote to William Murray regarding the property:

After shearing we intend selling 1500 head of cattle & replacing them with 10-11000 sheep so that there will 12000 acres freehold, 18000 leasehold, 28000 sheep and 500 head of cattle & the cost after the surplus Sheep and wool have been realised will be £32000. ... The 12000 acres freehold will, in 5 or 7 years & after £10000 has been spent on the place, carry from 22-25000 sheep. The properties were part of Armstrong's places & were bought by Barr-Smith of Adelaide last December.1

The run was bounded on the east by the sea, on the north-east by the Akiteo river, on the south-east by the Aohanga river and the Waingongore stream, on the north and north-west by a number of small lots,2 on the west by the boundaries of the Mangatiti and the Falls blocks, and on the south-west by the boundaries of the

1 J.R.-W.M., 22 June 1882.
Mangatiti, Waikoki, Glencoe, Marainanga and Lookout blocks to the Waingongoro stream.¹

Marainanga was bought from R. Barr-Smith in 1882 at the price of £41,000 although, as Roberts stated in his letter to Murray, it worked out to be £32,000. It was bought for the partnership of Handy-side and Roberts although the two Rolland brothers, formerly of Blackstone Hill, the run next to Lauder, also had shares in it.² The manager was J.S. Handyside who seemed to have spent most of his time riding round the three runs, a task as gigantic as that of John Elliot at Gladbrook. The Aohananga leasehold was native reserve but Handyside managed to secure its lease again in 1891 for fourteen years. The Glencoe freehold was bought for £2-2-8 per acre which was extremely cheap.

Despite Roberts' desire to increase the number of sheep on the property at the expense of the cattle, it was a dairy property that Marainanga was better known. It was good, rich country although heavily bushed on the Aohananga block. It appeared to be free from scab which

¹ The boundaries have been pieced together from the deeds and map of the Akitio block in the Aohananga and Waimata survey districts in the Lands and Deeds Office in Wellington, and from a sale plan of the estate in 1908 in Turnbull Library. The references to the deeds are 26/84, 28/108, 31/269, 13/182, 32/123, 14/222, 29/77, 141/49, 164/1, 180/258.

² The Rollands had a sixth share in the venture. It was proposed that these two brothers should come in on another property valued at £40,000. Roberts felt that since Marainanga was fairly isolated another place should be bought nearer Napier or Wellington for residence. This would bring the total sum invested by the shareholders to £80,000, and it was intended to bring it up to £100,000. Another property, however, was not found, although it is possible that Roberts had intended it to be Motutotaria Station, twenty miles west of Napier. It was a good run and Murray, Roberts and Co. had been trying to buy it for a number of years for the owner could not make up his mind.
had been such a problem on Patearoa, nor was it subject to flooding as was Clive Grange. Once again it proved to be a sound investment for Roberts.¹

As well as his own lands, Roberts also had the interests of many friends and clients to look after. One of the first of these was Ashwick Station near Fairlie in South Canterbury. Roberts was given power of attorney by the owner, Henry Brown, in 1871 when Brown went back to England. The manager at this time was Kelville Grey. Roberts received frequent letters from Grey about the station in the same way as the managers of his own runs wrote their reports. Sanderson and Murray later took some shares in Ashwick. Both the Pogson brothers and E.W. Humphreys, all neighbours of Roberts, left him to manage their affairs and later to dispose of their properties. There are many more names too numerous to mention which occur throughout the correspondence, both local and overseas, and which show his wide connections with land throughout the South Island and in the Hawkes Bay area.

With a deepening depression it was felt that further speculation in land would not be economic. At times like this, John Roberts preferred to divide his risks between land, the stock and station

¹ The Rollands eventually sold their shares in Karainanga to the Roberts family. In 1906 it was formed into the Karainanga Estate Company because of the Government regulations on the amount of land held by one man. With a capital of £160,000 the shareholders were J.S. Handy-side, John Roberts, James A. Roberts, Alexander F. Roberts, Louisa J. Roberts, Louisa Roberts and Catherine Emily Roberts. It was sold in 1908.
agency, and sound, manufacturing companies such as the Mosgiel
Woolen Company, the New Zealand Refrigerating Company, Donaghy's
Rope and Twine Company, the Milburn Lime and Cement Company and the
Union Steam Ship Company.

During the 1880's and 1890's the Government policy was to
break up large estates and to settle smallholders on the land. The
Stout-Vogel Ministry tried to implement a graduated land tax in order
to make the holding of large areas unprofitable, but the landowning
element in the House would not allow it. It was the remedy to which
the Seddon ministry had recourse later.1

Roberts did not believe that McKenzie's policy of putting
smallholders on high country could be successful. He felt that in
bad times with high rents the smallholdings were uneconomic. Not
realising the help that future governments would give in times like
this, he refused to allow Murray, Roberts and Company to finance
smallholders except for picked men whom he knew personally.

It is evident from the letters of the period that Roberts
would have been happy to sell Ringway and Patearoa had he been able
to sell them intact for a good price. But people were not interested
in buying runs at this time. He had to be content with improving and
consolidating his land. The acquisitive period was over.

1 P.E. Dempsey, The Land Policy of the Stout-Vogel Ministry 1884-
1897, (thesis presented for M.A., University of Auckland, 1945),
p.40ff.
CHAPTER FOUR

WOOL

One of the original purposes for sending young John Roberts out to the colonies was to buy wool for the Selkirk mill. George Roberts felt that he was more likely to get a better selection of wool if he bought directly from Australia or New Zealand than by dealing with the London market. He hoped eventually to put his son on a sheep run so that suitable wool could be shipped from the run to his mill without any of the intermediary processes and costs. Detailed instructions were sent to John concerning the type of wool to be bought, how many bales would be needed and the amount of money that George Roberts and Company were prepared to spend. It was thus that George Roberts wrote to his son in 1866:

We wish you to buy some wool for us when the clip comes in, and have made an arrangement with the English Scottish and Australian Bank for discounting your Bills to the amount of £300 for the payment of the wool, I enclose a copy of the document which will shew you the nature of the arrangement. the usual commission for buying is 2½ per cent, which we will of course allow you, for your guidance I may mention that you should be careful not to buy any wool with burrs or mats in it nor crossed with Leicester, we like good quality color and clean, at the same time not... [undecipherable] it may be the very best in the market which may go too high in price we can do with the Greasy provided it is good in other respects, but it is impossible to describe
precisely what kind of wool you should buy, only this that
we buy only good wool, bad and inferior does not suit us,
although you may draw upon us for £300, you need not go to
that length unless you can see your way to do so with advant-
age; we think you should buy early, say in the middle or
end of October or the beginning of November, provided good
wool is offered at that time, but of course this might be
left to your own discretion. 1

Prices were not high at this time and John had no difficulty
in fulfilling his father's instructions. Every few months wool was
sent to Selkirk and George Roberts wrote pleased and encouraging letters
to his son.

A comment on the state of the London market was made by Messrs
Potter, Wilson, and Company in their wool circular of the 31 Decem-
ber 1868: 2

The fourth and last series of this year's public sales of
colonial wools, which commenced on 26th November, was brought
to a close on 21st December.

Altogether, the result of the sales must be considered
satisfactory - the advance which has been established being
entirely owing to the general improvement in trade, no
speculative purchases having been made. At the same time, it
must be borne in mind that the production of the article is
still on the increase, and the next season's imports will
certainly exceed those of the one now past. It will, there-
fore, require a very active state of trade to absorb such a
quantity; and we fear that, even under the most favourable
circumstances, we must make up our minds for low prices
during the whole of next year.

The prices current for New Zealand wool in London during the
November-December sales of 1868 were:

Superior, in first-rate condition, 1s 3½d to 2s; Middling
to good flocks, 1s 4d to 1s 7½d; ordinary and ill-conditioned,
1s 1d to 1s 3½d; scoured, 1s 3½d to 2s 2½d; greasy 9½d to 1s 2½d. 3

This was an advance of 1d to 1½d on the previous sales.

1 G.R.Â·R., 24 July 1866.
2 O.D.T., 2 March 1869 p.2.
3 O.D.T., 2 March 1869 p.2.
Despite the fact that they were anxious to secure cheap wool for their mill, George Roberts and Company were desirous also of seeing the prices go up because, through Murray, Roberts and Company, they were also wool sellers. The first shipment of wool sent over by the new company in March 1869 sold well but the firm tone was not sustained and in the May sales of the same year prices were down 1d to 2½d on the last sales with no prospect of improving. The following is a small sample of the prices received by the company for wool from clients and the fellmongery.

<table>
<thead>
<tr>
<th></th>
<th>3 bales scoured, pieces, 1s 1½d</th>
</tr>
</thead>
<tbody>
<tr>
<td>M R and Co</td>
<td>18 bales 2nd bred scoured, 1s 7½d; 7 bales 3rd bred scoured 1s 5d; 4 bales 1st clothing scoured 1s 8½d; 3 bales 3rd clothing scoured, 34 1st and 3rd, 1s 6d; 1 bale Leicester scoured 1s 4½d.</td>
</tr>
<tr>
<td>J T B</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>M R and Co</td>
<td>15 bales 1st combing, slips, 1s 7d; 6 bales 2nd combing 1s 5½d; 2 bales 3rd combing, scoured, 1s 2½d.</td>
</tr>
<tr>
<td>J S</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Island</td>
<td></td>
</tr>
<tr>
<td>M R</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At this period in New Zealand's history local auction sales of wool were small and often infrequent, although the frequency and the amount sold were on the increase. The exact date of the first auction sale is not known. It seems to be the general opinion, according to R. Gore, amongst wool dealers that the first local sales were conducted about 1865. Gore questions the belief that these were sales as we know them today as they appear to be on a rather small scale with only local speculators bidding. He goes on to quote John Stephenson of Wright Stephenson and Company, however, who recalled that

1 O.D.T., 19 August 1869 p.2.
"following the first auction wool sales were held regularly and that at about this time American buyers made their first appearance in New Zealand."  

It would seem from the Otago papers of the time that although the sales were supposed to be held every week, quite often they were cancelled because of lack of interest and wool. Driver McLean and Company reported shipping 25,000 bales overseas in 1860 but only 2000 were sold in Dunedin. John Roberts made no reference to any foreign buyers although he received letters from them later. He was very interested in creating a market for his wool in North America and in 1871 he received a letter of introduction to a Mr McLennan who was manager of the Mission Woollen Mills in San Francisco. McLennan bought wool from him and also introduced him to other mills in San Francisco. Roberts built up a trade with Canada too, selling to Canada Packers Ltd, Frank Bland and Sons, and Dominion Woollens Ltd.

Prices continued low until 1871 when they rose a little with the end of the Franco-Prussian war, according to George Roberts who thought that prices were still not likely to become high because of the output of the colonies, the Cape and South America. In May 1871 Murray, Roberts and Company's wool was selling at an average of 1s 10d, and in September it increased to 2s 3d. This decided increase in prices gave rise to a good deal of optimism in New Zealand in which young Roberts joined, despite his father's more gloomy fore-

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1 G.R.-J.R., op. cit. p.25.
2 O.D.T., 12 June 1869 p.2.
3 G.R.-J.R., 14 March 1871.
The wool report for January 1872 said:

Wool continues to come forward freely for shipment. One vessel has sailed for London with a full cargo . . . and others are nearly ready . . . A large trade in this staple is also springing up between this port and San Francisco. Prospects of the Pastoral industry are brighter than they have been for a long time past.1

A little later, Driver, Stewart and Company reported that:

... the quantity of Colonial wools for offer in London will not exceed, if ever it be equal to ... , 1871. This combined with the cheerful aspect of the preserved meat, tallow, hide and general Colonial produce market cannot fail to have a most beneficial influence on the value of pastoral properties, now slowly recovering from so long a period of depression.2

Although there was ample wool to be sold, the good prices were not maintained throughout the year. They continued to decline over the next few years with sporadic rises. Murray, Roberts and Company, however, had little to fear while they could buy the low priced wool for the mills in Scotland and North America. This meant, also, that there was always a market for the wool from their own runs.

Gloomy reports of the London market such as the following, were issued periodically month after month, year after year.

The usual eagerness . . . observable on the opening day was absent, and prices compared with last series show a decline. Washed wool is a d per lb lower; half-breds 2d. May 2nd - The wool sales are marked by considerable languor, and 2,000 bales have been withdrawn. Only four series of sales will be held this year instead of five.3

The New Zealand sales, too, showed a similar decline. John Sanderson wrote to Roberts in 1875 to say:

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1 O.D.T., 16 January 1872, p.2.
2 O.D.T., 5 February 1872, p.2.
3 Otago Witness, 16 May 1874, p.16.
Price catalogues ... will give you more information than I can about the wool market and you will see how badly the N.Z. fleece wools have sold so that you ought to be able to buy them pretty easily on your side, and if so, I hope you will secure a few, as if we are not at the lowest range of prices for some time to come we must be pretty near it and in any case we are in safer water than we have been for some years. Wool has dropped gradually but none the less decidedly ... 1

With the price of wool steadily dropping and with wool to be disposed of from his own properties, John Roberts had become interested in the founding of a woollen manufacturing company, the Mosgiel Company, which was established in 1873. It had become quite clear to him that with the fluctuating overseas prices and the fact that the wool deteriorated in condition during its voyage, it would be far better and more economic to encourage local sales and local industry to absorb the produce.

Mr A.J. Burns had started manufacturing at Mosgiel in 1871 but the majority of New Zealanders firmly believed that it was hopeless for their manufacturers to equal the products of other countries. 2 Through the efforts of the more public-spirited business men of Dunedin, however, the opposition was gradually broken down and business increased rapidly. Since there was little ready capital available for improvement and expansion, Burns decided to float the business into a joint stock company.

In October 1873, a provisional prospectus of the Mosgiel Woollen Company Limited was issued, and in December of the same year Messrs

1 J.S.-J.R., 24 December 1875.
2 I am indebted to Hilda M. Timms' thesis, The History of the Woollen Manufacturing Industry in Otago, for all the information about the Mosgiel Company.
E.E. Cargill, Wm Mason, James Kilgour, Robert Gillies, John Roberts, A.J. Burns and J. Small were appointed directors, John Roberts being appointed chairman of directors.

Directors' meetings were held with great frequency, extraordinary meetings being called very often to deal with immediate business. This interest by the directors in all the affairs of the company gave an extra impetus to the business which forged ahead during the next few years.

In January 1874 Murray, Roberts and Company were authorised to be the Company's brokers and to purchase such wools as were required for the season.¹ This was no doubt due to the fact that John Roberts was chairman of directors. His brother-in-law, Thomas Laidlaw, sent out patterns of tweeds to be woven by the new mill.

Meanwhile, wool prices continued to drop. It was hoped early in 1876 that there would be an improvement in trade, but a few failures, some in the woollen trade both in England and Europe, had a weakening effect on the market. In June there was a severe fall in prices although this did not appear greatly to affect Murray, Roberts and Company's wool which sold very well, according to John's brother Thomas who wrote:

The 7 bales Lee Stream Locks invoiced @ 8½d we sold in London @ 10½ and 19 Bales pieces invoiced @ 12d²/₃, same mark, we sold ... 3 @ 11d - 1 @ 1/1 and 15 @ 1/21/4, at which prices I considered the wool sold uncommonly well ... ²

For John's information, he then listed all the wools that had

¹ This connection was continued until Murray, Roberts and Company was taken over in 1961.
² T.R.-J.R., 28 August 1876.
been sold at the last sale with their prices and his comments as to their suitability, so that John would know what class of wool sold best and what type was best suited to be bought for the mill. He went on to say:

You will of course notice from the above that these purchases have not suited us so well as we should have liked. The wool as a whole was not up to our standard and when buying for us this year buy nothing that is not Al. We think this year will not be a very good one for buying because owners will not be inclined to submit to such a sudden drop and there is little or no prospect of prices rising on this side for some time to come. It is said that there was a great deal of speculation indulged in towards the end of last sales which was the cause of the price rising. If this is the cause my own opinion is that we shall have still lower prices in February.

A year later the wool sent over by Roberts was still selling well despite the fact that prices were still very low. Of all the wool, that from Lauder Station sold the best. The Patearoa clip was badly stained with tick which brought its price down. The Lauder wool made a profit of £248 5s 1d at that sale which was most satisfactory to John Roberts.

Prospects looked a little brighter in 1878. The first report of the London sales was more cheerful in tone than it had been for some years.

The first series of London public wool sales for the present year commenced on the 26th ult. . . . Competition was very keen . . . Combing wools, both fleece and grease, were in brisk demand, and realised particularly good prices . . .

The optimistic note, however, did not last long. By September gloom had set in again. Wright, Stephenson and Company Ltd advised their clients that:

Our friends, Messrs Murray, Roberts, and Company, have receiv- ed the following cablegram from their London firm:- "Sales

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1 Otago Witness, 4 May 1878, p.11, report of the sales of the 14 March.
continue with a small attendance at the sale rooms. Home and foreign buyers operate cautiously. Prices have declined 5 per cent on opening rates. Market weaker, especially for Port Phillip and middling scoured.

Despite the depressing wool reports there were few traces of hard times in the affairs of Murray, Roberts and Company or of the Mosgiel Woollen Company. The only indication that money was short was the advice of the directors of the Mosgiel Company in 1879 that the question of the annual dividend to shareholders be held over. John Roberts as chairman said at a meeting of the shareholders:

At our previous annual meeting, the accounts showed a square bank balance, and today the accounts show a debit balance of £5,000. I therefore think it would be better for us not to venture to ask the bank to give us facilities for a dividend. The reasons for the debit balance lie chiefly in the increased stock in hand . . . . For the last few months sales have been difficult, and it has been considered better to keep goods in hand rather than let them go and find them not paid for.

He was to write in a similar fashion to John Sanderson in the following year concerning interest on their shares in Murray, Roberts and Company.

The slowness of sales did not last for very long for in 1881 the demand had increased so much that night and day shifts were introduced into the factory. This tremendous activity on the part of the company at a time when the country was undergoing a severe economic depression is somewhat surprising. John Roberts' address at the annual meeting in 1883, however, throws some light on the subject.

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1 Stage Witness, ibid., op. cit., 21 September 1878.
2 O.D.T., 18 November 1879.
I ask the shareholders to consider that it is extremely wise to strengthen our position in every possible way. You are all aware that Woollen Factories have been started in different parts of the colony, and if they continue to increase at their present rate, I have no doubt the day is not far distant when the production of our colonial manufacturers may possibly overstep the consumption. When that state of affairs comes about, it will most likely resolve itself into a question of the survival of the fittest; but seeing that our business is the oldest established in the Colony, and one which has been conserved and strengthened in every way, I see no reason why we should fear any competition. I believe we are in a position to compete successfully with all comers.1

The prophet was soon fulfilled. Several of the newly established mills encountered difficulties and had to close down.

The demand for Mosgiel goods, however, was so great for the next few years that production could not fulfil the demand, despite machinery operating night and day.

Sales of Murray, Roberts and Company's wool continued at a good price for the times. Roberts commented to Sanderson:

I need scarcely say that I am extremely pleased to get your late cablegram announcing such handsome surpluses on the Green Island wools. There seem to be surpluses on wools sold in these sales now going on, of something like 8' per lb. This is nearly as good a rise as in /70.2

His wool was also selling well in the United States at this time. In fact it was almost a better market than Britain. Carterhope merino sold for 13d there in January 1880. 1880 proved to be a boom year for wool for no apparent reason. John Roberts was amazed at the change and he wrote to Sanderson:

The course of the wool market during the past few months has been most extraordinary and it seems scarcely credible. Your

1Q.D.T., 14 November 1935 pp. 6,7.
2 J.R.-J.S., 11 March 1880.
telegram quoting the Lauder wool as having sold at 15d when the same wool in May last year only brought 10½ astonishes me very much.¹

This rise in prices did not last more that the year. In 1881 the Patearoa clip was down to 11d per lb as against 153/4d in the previous year.

Such fluctuations in the price of wool were not always due to the fact that there was a depression during all these years. The age and conditions of the sheep, the climatic changes, disease and crossbreeding all affected the type and condition of the wool from station to station. A bad season on Patearoa did not necessarily mean a bad one on Tautane. For example, in 1881 the Patearoa clip was very poor and, with the general fall in price again, sold badly. But the Tautane clip increased in size from 220 bales to 349, all of which were in good condition and sold for a reasonable price. Their most reliable clip was from Carterhope, acquired in 1877. A typical comment on the wool from the London agent's report was:

A most excellent shipment, . . . like most New Zealand clips, it was decidedly heavier in condition, but for general excellence and "get up" it is difficult to equal.²

During the 1870's it was the crossbred fleeces which became the most difficult to sell because of the English competition. In order to combat this, John Roberts decided in 1876 to experiment in crossbreeding. He had heard that the Border Leicester was a good sheep to cross with merino and, accordingly, he wrote for advice on the subject to Britain and Australia, even advertising in the papers there.

¹ J.R.-J., 23 April 1880.
² 19 May 1882.
He wanted a hardy sheep which could be used for wool and mutton and whose wool was long enough and reasonably fine for use as the best clothing yarn. Although the fleece of the Border Leicester was not as heavy as the Lincoln (which was soon to become another famous cross, the Corriedale), its superior constitution, fattening tendencies and earlier maturity together with its greater hardihood seemed to compensate for the extra weight of the fleece of the Lincoln. He was advised to put long woolled rams to the best merino ewes procurable. Having carefully selected the best of these half bred ewes, he should put them to pure Leicester rams, thus producing three quarter breds. He should then breed from the best of these three quarter breds and keep breeding from this class.

This became the favourite cross of John Roberts to whom cross breeding soon became a pet hobby. He preferred, however, to leave the sheep as half breds. If a further cross was necessary he used the Lincoln or Romney sheep whose fleece was much heavier.

With the advent of frozen meat the Corriedale and the Leicesteer cross became extremely popular as it was now most important to breed sheep for mutton as well as wool. In 1892 Roberts presented a paper at the Wellington Stock Conference explaining the merits of his favourite cross. An editorial in the Tasmanian Mail, however, strongly disagreed with him. The writer stated Roberts would be breeding a wool sheep only, and that he (Roberts) "would have his work cut out attempting to build up an entirely new type of animal from two such opposite natures as the Merino and the Lincoln."¹ The only solution was an English Leicester-Merino ewe crossed with a Shropshire

¹ The Tasmanian Mail, 10 December 1892.
Down or Southdown ram.

The Tasmanian writer, nevertheless, was proved wrong in his conclusions. New Zealand breeders had already proved, and continued to do so, that the Lincoln-Merino and Leicester-Merino crosses were highly successful and provided the ideal sheep for New Zealand markets.

In the early 1880's, Roberts decided on a new policy for the firm, following the fluctuation in overseas wool prices. This is one of the only moves he made on policy without consulting Sanderson. He decided to buy less wool and to buy it on Murray, Roberts and Company's account only, instead of fulfilling numerous overseas orders, particularly those from London. He felt that they could buy at much better value if they bought less wool because in a small market, such as the local one, prices became too high if large-scale buying took place. Another reason for buying on their own account was that in some years they had been short of orders from England, and there appeared to be a much more certain market in New Zealand, particularly since the woollen factories had sprung up. The Hosgiel Company, for example, guaranteed the buying of 1200 to 1400 bales each season, from which sale Murray, Roberts and Company gained a one and a half per cent commission.

Buying on commission for overseas firms was an extremely risky business for quite often the speculations turned out to be bad ones. Roberts felt that it was unfair to earn a commission under such circumstances. So often the wool was not the type and quality required, nor did it always reach its destination in the same condit-
This policy of local buying and selling was a great boost to the New Zealand market. Roberts had been very interested always in developing the local sales and he was one of the pioneers in this direction.

Despite the decrease in the buying for overseas markets and individual firms, by the end of the 1880's Murray, Roberts and Company was the largest private exporter of wool in Otago.

In later years, wool buying turned out to be the major part of Murray, Roberts and Company's activities. This was due mainly to years of the lead Roberts had given in the early developing local sales. This development of the wool trade was a wise decision for Roberts to make since wool had become increasingly important in the country's economy, as was evident by 1880. It would have been easy for Roberts to have allowed this side of the Company's activities to slip into the background, particularly during the difficult 1870's, and made land investment its major interest. Instead he preferred to put part of the Company's money into land and another part into wool. When land speculation became too difficult at the end of the century, he was able to continue to build up the wool trade. He would have preferred to have kept a better balance between the two but land legislation, which placed heavy taxes on large land-owners and limited the amount of land held by one person, made this impossible.

In reviewing the activities of Murray, Roberts and Company in the wool trade, it can be seen that the Company owed its prominent place to the influence of John Roberts. With the advantage of having
a sure market in Scotland and the Mosgiel Mill in Dunedin, the depression years passed by without any mishaps.
CHAPTER FIVE

THE OTAGO CENTRAL RAILWAY

As a large landowner in the area concerned, John Roberts could not help but be involved in the Central Otago Railway dispute. Although most people in Otago agreed that there should be a railway into the area, there was little agreement on the route to be taken.

In 1974 Mr C. De Lautour had presented a petition to the Otago Provincial Council for a railway from Palmerston to the Maniototo along the old coaching route. A line was sanctioned from Palmerston to Clyde but opposition prevented the plan from being put into action. 1

A company was formed in 1875 to build a railway between Mosgiel and Outram and was given permission to go ahead. In the same year work commenced on a line up the Papakaio Valley to Awamoko, and the railway between Palmerston and Dunback was surveyed. The Invercargill-Kingston route already stretched well into the Central district. It was an extension of these railways which was claimed by Dunedin, Palmerston and Invercargill during the next few years.

1 I am indebted to M.A. Espie, The Introduction of Railway Communications into Otago, (thesis presented for M.A., University of New Zealand, 1948) for the outline of the events of the dispute.
The real controversy arose in May 1877 when the Mayor of Camarau, acting in conjunction with the Mayor of Naseby, called a meeting of residents for the 16th May to consider the possibility of a railway from Camarau to Naseby. It was announced that some of the large landowners were prepared to give land through which the railway would pass. The *Otago Daily Times* challenged the idea and claimed that Dunedin was a far better centre than Camarau. It felt that "the interior should be connected by the most practical route with the capital rather than with a small fishing port on the borders of Canterbury." Opposition was aroused in other centres too, for when the account of this meeting was published some three hundred people met at the Palmerston Town Hall and declared that the best route was via the Waitemata Valley which had already been surveyed.

At this point, Roberts felt that he could remain quiet no longer. A line through Strath-Taieri was of great importance to him personally since it would make the cartage of wool, sheep, grain and other necessities so much easier. There is a widely held opinion that this was only reason why he supported the Strath-Taieri route so ardently, but there is no evidence to show that this was the case. He pulled no political strings to get his own way, as has been suggested by many people. He was, in fact, asked by politicians to use his influence in the city to get support for the Strath-Taieri line but there is no record that he did so, except in the Taieri

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2 *O.D.T.*, 22 May 1877, p.2.
3 *O.D.T.*, 21 May 1877, p.3.
County Council and the Dunedin Chamber of Commerce, the latter being already involved. His opinion, given when asked for, appears clear, unbiased, and no different to that of most of the prominent Otago settlers who were involved at the same time. They all felt that this route would be the most sensible and the most beneficial to the people of the interior. Roberts would benefit no more from it than would other landowners in the area, but he was in the position to do something about it, whereas they were not.

Since the Provincial Council of which he had been a member no longer existed, Roberts felt the next best place in which to speak was the Taieri County Council. At its meeting, therefore, on the 1st June 1877 he brought up a series of resolutions in which the Council expressed the opinion that the best route was by way of the Taieri River. The members of the Assembly for the district were asked to help in getting the consent of the Colonial Government to construct the line, and, failing this, the Chairman was to take action under the Public Works Act to have the line constructed to the County boundary. Furthermore, it was decided to send the County Engineer on a flying survey of the proposed line from Outram to the interior by way of the Taieri River and North Taieri to Strath-Taieri.2

The Dunedin Chamber of Commerce also took up the question at their June meeting, although not at the instigation of John Roberts, and passed the following resolution:

1 Mr James Fulton.
2 Taieri County Council Minutes, 1 June 1877.
That this Chamber is of the opinion that of the various routes proposed for the construction of a line of railway to the interior of Otago that via Strath Taieri presents the fewest natural difficulties and opens out the largest extent of land available for settlement.¹

This resolution was communicated to the Government, and to the representatives of Otago in the Assembly.

On 21 July 1877 Mr W.N. Blair, the Government District Engineer, presented his report to the Government. He said, "I have no hesitation in placing the Strath-Taieri scheme first and the Haerewhenua [Duntroon-Naseby] one last."² A select committee of the House of Representatives with Mr Vincent Pyke as chairman was appointed to consider the report. The Commission drew up a number of questions which they put to prominent Otago citizens concerned with the railway, such as the Hon. Donald Reid M.H.R., Sir Francis Dillon Bell, John Roberts and others.

In giving his evidence, John Roberts said that he believed that a line to Naseby and Clyde through the Strath-Taieri would open up about a million acres of pastoral and agricultural land, and would increase the value of the land from five shillings to seven and sixpence per acre. He thought that there would be no difficulty in getting a company to construct the line if it was given a pre-emptive right over 300,000 acres at twenty shillings per acre. He estimated that 2,500 tons of wool and 1,000 to 1,500 tons of grain would pass down the line during each season.³

1 Dunedin Chamber of Commerce Annual Report, 10 June 1878.
2 Appendices to the Journals of the House of Representatives (henceforth referred to as A-I), 1877, E-1, p.67.
The Committee report favoured the Strath-Taieri line and a debate ensued when the report was put before the House. Mr McLean, the Member for Palmerston, was the chief opponent who insisted that the Palmerston line was the shortest and most economical. 1 Vincent Pyke, afraid that McLean might sway the vote, sent an urgent telegram to the Dunedin Chamber of Commerce saying, "McLean doing his utmost in Committee, in House, Lobby, Bellamy's and Cabinet to obstruct the Strath Taieri railway. Have majority but McLean throws difficulties in the way of adoption. Can any influence be brought to bear?" 2 A special meeting of the Chamber was called and, according to the annual report, "Thanks to the indefatigable efforts of several of our representatives, 3 a favourable resolution of the Lower House was secured, although the Bill introduced by Mr Pyke to authorise the immediate construction of the line was subsequently thrown out in the Upper House." 4 The Hon. Mr Chamberlain claimed that, "it was an impudent attempt to secure two million of the property of the colony for the benefit of a particular district." 5

The following year the Minister of Public Works told the House that provision had been made in the estimates for the building of the line. It was begun in June 1879. The completion of the line, however, was a long way off. There were long delays between the termination of one section and the beginning of another. In 1880 Vincent Pyke wrote in great agitation to Roberts:

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1 New Zealand Parliamentary Debates (henceforth referred to as N.Z.P.D.), vol 26, 1877, p.191.
2 O.D.T., 26 September 1877, p.2.
3 Un-named.
4 Dunedin Chamber of Commerce Annual Report, 10 June 1878.
5 N.Z.P.D., vol 27, 1877, p.691.
Can you throw any light upon the delay in calling the tenders for a further section of the Otago Central Railway? Common report declares that the Chairman of the Chamber of Commerce is antagonistic and the influence of the Chamber is being secretly brought to bear upon the Government adversely. If this is correct - as I can scarcely believe it - it says but little for the intelligence of the persons concerned. And I mean to wake up the country on the matter without delay.1

It is unfortunate that Roberts' reply is not extant but there seems to be little foundation for Pyke's agitation. The Government were waiting upon the report of a Royal Commission on Railways which had been set up to look into all the New Zealand Railways. When the Commission set in Dunedin, the Chamber of Commerce sent a deputation to urge that a full inquiry should be made concerning the Otago Central line. Their advice was not acted upon, however, and the Commission reported:

We are of the opinion that the circumstances and requirements of the colony do not warrant the construction of this costly line of railway, . . . But a very small proportion of the land through which the route has been surveyed is at all fit for agricultural purposes, and the population spread over the district is far too limited to afford encouragement for an expenditure so large as that proposed for this line.

The entire undertaking is, in our opinion, uncalculated, and should not have been commenced.2

There was an immediate uproar in the House by the Otago members when the report was read, the chief complaint being that the Commissioners had not even seen the lower Strath-Taieri or the gorge which was the disputed part. Vincent Pyke wanted the report not acted upon but the House negatived this after a long and heated debate.3 Meanwhile, in Dunedin, the Taieri County Council, of which John Roberts

1 22 March 1880.
was now chairman, resolved to dissent from the conclusion drawn by
the Railway Commission because of the superficial nature of the
inspection and because the Commission seemed to have lost sight of
the objects and benefits of such a line. Copies of these resolutions
were sent to the Minister of Public Works and the Member for the
District, James Fulton. 1 Pyke had wasted no time in getting in con-
tact with Roberts over Fulton's lack of support for the line. He
sent a telegram to Roberts, "Fulton absolutely refuses to advocate
construction of Otago Central Railway. ", 2 which was not quite accurate
as Fulton explained in a letter to Roberts saying that he disagreed
with the piecemeal construction of the line but that he would do as
Roberts advised. 3

There was no further money available for the line in 1881 and
the Government suggested that it should be completed by a private
company. This was not at all to the liking of the Otago people. Rob-
erts, when asked for his opinion by Henry Driver, the Member for
Kakanui, replied by telegram:

General opinion here Railway construction Bill sounds a very
undesirable mode of constructing Railways - Under its prov-
isions I have no doubt Otago Central will be constructed if
Government honestly means to bring it into operation - Sin-
cerely believe it will be a national calamity if such a work
as Otago Central thrown into private hands would much prefer
to see work on it slowly carried on until money by loan or
sale of land obtainable - If no chance of Govt continuing
construction rather than see line wholly abandoned would
prefer construction by a company under new bill. 4

1 Taieri County Council Minutes, 6 August 1880.
2 8 June 1880.
3 11 June 1880.
4 Undated copy of a telegram from Roberts to Henry Driver, but probably
about the 14th August 1881.
The Dunedin Chamber of Commerce voted a similar opinion, but agitation for the immediate continuance of construction continued. A commission was set up by the County Councils of Vincent, Maniototo and Taieri to make a thorough survey of the line. The Commissioners reported that there were 200,000 acres of unsold pastoral land capable of carrying a larger stock of sheep. The yearly revenue from flocks would be worth one and a half million pounds sterling, and the tonnage for export would be 5,000 tons exclusive of fat stock. Their comment on Gladbrook alone was that three hundred head of cattle and four thousand sheep, fattened on turnips on the estate were sold to the markets in 1880, the greater number of which would have been sent by railway had the line been in operation.¹

The report was sent to the Government and eventually work started on the section of the line. It proceeded very slowly, hampere by the lack of money. In 1889, however, Sir Harry Atkinson, the premier, visited the area and after inspecting the country, decided that the railway ought to be continued. It now reached as far as Hindon.

On the 30th July a public meeting was called in Dunedin, over which Robert's presided, to pass a resolution that "this meeting cordially approves of the proposals made by the Government for continuing the construction of the Otago Central Railway."² In his speech to open the meeting Roberts said that he had been a consistent supporter of the railway scheme from the time it had first been conceived.

¹ O.N.T., 31 July 1889.
² Ibid.
The first ground on which he based his opinion that the railway was desirable and necessary for the province was the ground of commercial speculation. Were he the owner of all the land between Dunedin and the Maniototo he would in the first place conserve the land, then build the railway, and afterwards dispose of the land. Instead of that, "through the dilly-dallying behaviour on the part of different Governments, and through the lukewarmness of other parts of the colony to the works," nearly all the land between Dunedin and the Maniototo had been alienated so that some of the benefits which would have accrued from opening up of the land had vanished. He did not dream, as did some others, of the line soon being extended to Wanaka. He believed that the wants of the next twenty years would be met by having the line built to Ewaburn.1 At that point it would tap the Maniototo Plain, and form an outlet for a large number of settlers who had been fighting a losing battle for years and had been stamped almost out of existence, owing to the serious difficulty they had in getting their produce to market.

Although it was many more years before the railway reached the Maniototo, it was opened as far as Middlemarch by the end of 1890. This was the great step forward. At last the Strath-Taieri plain and the country that lay beyond could be truly opened up. No longer would the Cladbrook wool have to be transported by wagon all those dusty miles to Outram or Palmerston. Sheep and cattle, too, would now reach the market in much better condition than before which would enhance their value. Roberts could now sit back and think of the pros-

1 The present town of Raumurly.
pect that soon even the Lander wool, which, when under his control, had had such a long journey by wagon to the coast, would be transported in a day to Dunedin.

As for the wisdom of the railway scheme which Roberts supported so ardently, it was still being debated when the line was three quarters finished. The Chairman of the Commission set up by the Otago Daily Times Newspaper Company reported,

Why it was taken through the gorge in defiance of what is alleged to be a consensus of engineering opinion while it might have been led through the Lee Stream country from Outram to Sutton – thus tapping fertile country capable of producing from 60-70 bushels of oats per acre, where only two tunnels would have been necessary – will only be known when all Governments are required to account for their stewardship.¹

Certainly it seems strange that the Government preferred to blast and chip a way around the edge of a gorge, building great viaducts and tunnels rather than take the easier route via Lee Stream where the present road runs.

There was definitely a need for a railway into the interior and the Strath-Taieri route was the most direct route compared with the others proposed. The main problem with the other routes was that the country which they had to cross was too steep. The highest point in the Taieri Gorge was 1,500 feet compared with 2,100 on the Palmerston route and 2,500 to 3,000 feet on the Oamaru route.

The Strath-Taieri route appeared at the time to open up the most fertile country. 1,262,300 acres were estimated as being good pastoral land, 449,000 of which were thought to be arable. The portion

¹ D'Esterre, E. (ed.) Central Otago: Its Prospects and Resources (Dunedin, 1902).
of the Taieri county served by the Otago Central line carried 129,792 sheep as against 208,074 in the whole county. But the enthusiasts of the time really over-estimated the carrying capacity of the land. Nor did they realise the extent of soil erosion. What they had thought to be good, pastoral land soon turned into waste. Transport of wool and fruit from Alexandra, however, kept the line in operation and made it pay - as far as any railway line in New Zealand pays. It was a costly necessity but one that Roberts was wise to support.

1 D'Esterre, op. cit.
CHAPTER SIX

THE FROZEN MEAT TRADE

During the 1870's in New Zealand, sheep had increased rapidly in number and it became apparent that they could have a value not dependent on wool only. Flocks were expanding at a far faster rate than the population, and there was no means of adequately dealing with the accumulating surpluses of stock. The boiling down and canning processes wasted much of the animal that could be useful and there was no money in it.

It was realised, also, that since the severe fall in wool prices New Zealand could no longer rely on wool as its sole marketable commodity.

Considerable interest had been shown in the various means of preserving meat, especially in the possibility of freezing it. As early as 1869 a Mr Postle of Melbourne was reported to have invented a machine for freezing meat, and speculation was rife as to the possibilities of starting an export trade in meat.\(^1\) To the average consumer in Britain as well as New Zealand, however, it was a wild dream. As an editorial in the Otago Daily Times put it, "It cannot be expect-

\(^1\) O.D.T., 25 March 1869.
ed that any process of preserving meat will be invented which will enable the Colonial sirloin and that obtained from a butcher's shop to compete on even terms."

It seemed as though the gloomy prophecies might be correct. In 1873 an attempt had been made to export frozen meat from Australia to Europe but it was unsuccessful. A further attempt in 1876 met the same fate. The following year, however, a shipment was sent from Buenos Aires which reached Britain safely and with its cargo in good condition. Success had been achieved at last. A successful shipment from Melbourne in 1879 and another from Queensland in 1880 encouraged the New Zealand farmers to experiment on their own account.

By 1881 New Zealanders began to realise that refrigeration could be the key to a vast new trade with unlimited possibilities. Many of the prejudices had been broken down now that people had seen and tasted for themselves the meat from the successful shipments. W.S. Davidson of the New Zealand and Australian Land Company was the first to investigate the possibilities of the trade from New Zealand. After a conference with his directors in London, it was agreed that a trial shipment from New Zealand should be arranged by the Company, and a preliminary expenditure of one thousand pounds was authorised for setting up the venture. The New Zealand agent for the Company, Thomas Brydone, was sent to Melbourne and Sydney to report on the new freezing works there so that the New Zealand venture would not be marred by the mistakes of novices. On his return, Brydone was instructed to erect a slaughter house at some convenient spot and to secure

1 O.D.T., 2 February 1872.
the best sheep and butchers he could in order to produce a first class cargo of meat. In co-operation with the Shaw, Savill and Albion Shipping Company a ship was fitted up by Messrs Bell and Coleman in Glasgow with the necessary freezing and storage equipment, for the carcases were to be frozen on board. William Ewing and Company, insurance brokers, also of Glasgow, accepted what was a totally unknown risk by covering all contingencies attached to the transportation of the meat at the moderate premium of five guineas per cent.

Meanwhile in New Zealand the implication of this promising venture did not go unheeded. An Otago Daily Times editorial urged the farmers of Otago to press for immediate action.¹ In February 1881, a meeting of sheep farmers was held in Dunedin, the outcome of which was the appointment of a committee to establish a frozen meat company in the province.² One of the committee members was John Roberts.

The first move the committee made was to correspond with Thomas Brydone who was in Australia at the time, looking at freezing works there. Roberts was given the task of being the chief correspondent with him. Brydone emphasised the need to have the refrigerating store as near to the ship's side as possible. He felt that it should be almost on the wharf so long as it was connected with the railway, and suggested that the best site would be near the wool dumping stores at Port Chalmers. His reasons for the choice were that the refrigerating concern should be a depot for meat, dairy and other produce which any person might wish to export, and should, consequently, be situated in a central position with easy access to rail and ship so

¹ O.D.T., 26 January 1881.
² O.D.T., 23 February 1881.
that it would not be necessary to convey such products twice over any portion of the railway. The less handling they had the better. At the port a ship could be loaded without risk in all weathers, which was most important as either heat or rain could disturb the meat if it had to be carried any distance. The refrigerating plant would cost less to erect at the port where it arrived than if it had to be transported inland. Brydone was particularly emphatic about not having works on the outskirts of the town or "in the country" as he put it.¹ He felt that, in the event of the venture being a failure, and it was possible that it could be, the buildings, plant and site would have a much greater value in the town. He also advised the committee not to convert old buildings but to erect new ones. The old buildings were too expensive to convert.

With all these points in mind he felt that the committee would be ill-advised to buy the old Green Island meat works which they had intended to do.

Roberts wrote also to John Sanderson to ask for information about the prospects of the frozen meat trade in London. He informed Sanderson that a company was being established in Canada but that they intended, for the time being, to freeze on account of owners only and not for export.² Sanderson replied:

There is no doubt that the freezing of meat is now a practical success, but, before it is developed into a regular trade from the Colonies, I think a good deal has to be done in the way of organisation, and it will have to be conducted by people here who understand the business. I quite believe that ultimately it may be developed to be a profitable and possibly large, but it will take a long time. I think you were quite right to take some shares for the firm,³ associated as we are, with

¹ Brydone--J.R., 24 June 1881.
² J.R.--J.S., 17 June 1881.
³ Roberts had taken fifty shares for the firm.
pastoral pursuits, but I would not be very sanguine of much financial success . . . . I shall at all times be pleased to be of any use in furthering Colonial interests here, should you need any. Looked at, however, purely as a matter of business, I would much rather be without such consignments, as I do not feel able to deal with them properly, and of course we would not accept [drafts] against meat shipments. 

A typical conservative letter from Sanderson. He was never willing to take a risk on anything. Roberts must have been keenly disappointed at such a reply.

In reply to Sanderson's statement concerning the organisation of the trade, Roberts was able to say that the committee had resolved to appoint a committee in London and that it was to be authorised to select a suitable freezing machine. The members of this committee were Messrs DuJouix of Dalgety and Company, Gibbs of Cargill, Gibbs and Company, Julius Vogel, the manager of the New Zealand Loan and Mercantile Company (whom name Roberts could not remember) and Sanderson.

Further advice came from Thomas Roberts. He suggested that the new Company secure a depot in London where the frozen meat could be stored if the market was unfavourable at any time. Instead of placing a whole shipment of meat on the market at once, it could be sold gradually and when it was wanted. He gave the example of a shipment which had arrived by the Empress from Melbourne at a time when the market was fully supplied and had sold very badly at only fourpence per pound.

\[\text{[Note:} g3, J. R., 6 September 1881. Perhaps Roberts manifested his disappointment to Sanderson as Sanderson wrote a further explanatory note that he would only accept drafts from clients from whom he received other produce. He would not regard meat shipments as any security for money drawn out.}\]
even though the meat had been in very good condition.¹

The New Zealand Refrigerating Company was duly formed in August 1881 with a capital of £20,000 divided into 4,000 shares of £5 each. The directors were John Roberts, W.J.H. Larnach, E.D. Cargill, E.I. Spence, R. Wilson, A.C. Begg and James Shand. Thomas Brydone was made a director a year or two later and W.S. Davidson became one of the London agents.

Although the Company heeded Brydone’s warning about taking over the Green Island works, the Company did establish itself at Burnside which was further out of town than he would have advocated. The first cargo of meat was frozen on board the Zunedin since the new plant was not ready. The ship sailed from Port Chalmers in February 1882 and reached London ninety eight days later with her cargo of 3,521 frozen sheep, 440 frozen lambs and 82 frozen pigs in perfect condition. The cargo was sold for £3,000, making a profit of £4,316 11s. 11d for the consignors, the New Zealand and Australian Land Company who provided half the cargo, Murray, Roberts and Company who provided a quarter, James Elder, J.H. Smith and James Shand.

With the success of the first cargo, enthusiastic preparations were made for further shipments during the year. Roberts wrote to Sanderson that:

... a start has been made to preparing a cargo of 9000 carcases for the steamer "Marsala" ... This cargo has been bought by the Australian Meat Company at 2½d per lb delivered f.o.b. at Port Chalmers frozen. Of this price ½d per lb is charged for slaughtering, freezing, packing & delivery by the Refrigerating Co so the owner will get 2d per lb nett besides the skin and

¹ T.R.-J.R., 5 October 1881.
inside fat . . . The Refrigerating Co are now cabling the
Australian Co the offer of another cargo of 9000 carcasses
for a steamer in November at 23/4d per lb and I am hopeful t
that this will be arranged. Then the Dunedin will load again
in December and with her increased accommodation will take
6500. If therefore all these arrangements are carried out
there will be the following exported during the current year.

<table>
<thead>
<tr>
<th>Carcasses</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Per Dunedin</td>
<td>4900</td>
</tr>
<tr>
<td>Mataura</td>
<td>4271</td>
</tr>
<tr>
<td>Marsala</td>
<td>9000</td>
</tr>
<tr>
<td>Steamer in Nov</td>
<td>9000</td>
</tr>
<tr>
<td>Dunedin</td>
<td>6500</td>
</tr>
</tbody>
</table>

| 33690 |

If we can get this quantity of meat out of our own market
every year it will be quite sufficient to cause a considerable
rise in value on this side. 1

Roberts over-estimated the number of carcasses to be exported
by only 1000. The Marsala carried 8000 carcasses instead of 9000.

The selling of a cargo to a meat company was not the usual
practice in this early stage. The meat was usually put straight onto
the market at Smithfield and sold there on behalf of the various
concerns or owners who had consigned it.

By the end of 1883, the Burnside works were completed and in
full operation. Between June 1883 and June 1884, twelve steamers had
been loaded with 72,420 carcasses which brought a net profit of £3719
9s 2d. Land had been purchased at Camaru for another freezing works
and slaughtering began there in August 1884. The refrigerating plant
was not put in until 1885 when the directors were sure that the trade
warranted a further expenditure of £2000, since the slaughtering part
had cost £7000.

In the annual report for 1884, Thomas Brydone, who was in the
chair since Roberts was overseas, stated that the Company had no

1 J.R.-J.3., 11 August 1882.
liabilities and had sustained no losses in the past year. It was entirely free of debt. Surely an excellent beginning for such a new and risky venture, due, no doubt to the support given by the large sheep farmers of the province and to the careful planning and supervision of each cargo to ensure that it reached the market in perfect condition and at the right time.

By the end of 1885, 77,370 carcasses of mutton and 54 carcasses of beef had left the Burnside works. At Camar, 59,975 sheep had been killed and frozen on board the steamer Elderlie which had been chartered by the Company for the Camar works. This gave the Company a profit of £4,850 19s 10d. That the Company could make a profit at all in the early stages of its career, when it had to spend a considerable amount on building and equipment, was due to the fact that the cost of running the works was cut by half, compared with other companies, because of the good supply of fuel which was not available to companies in Canterbury and the North Island. It is probable that the Nightcaps Coal Company, in which Roberts had an interest, supplied a good deal of the necessary coal.

Despite this excellent beginning the Company still had many problems to solve. In 1885 a severe season brought a considerable shrinking in the weight of carcasses which meant that they sold for much less in London. In the same year a water shortage at Burnside stopped the operation of the freezing chambers which were worked by water power, and as the had to be made of the ship Edwin Fox at Port

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1 Annual report of the New Zealand Refrigerating Company, 8 August 1884, reported in the Otago Daily Times, 7 August 1884, p.2.
Chalmers which had freezing apparatus on board, at a cost of £600. For
a further four years engineers searched for a better water supply at
Burnside but now could be found. A sailing vessel was purchased,
therefore, in 1890, fitted with freezing machinery and stationed at
Port Chalmers so that freezing could be continued without interrup-
tions due to water shortage. The Burnside works had to rely on the
Kaiorai stream for water and its supply was somewhat erratic. Had the
Company built its works at Port Chalmers, as suggested by Brydone,
there would not have been this trouble. It was not until the works
were wired for electricity and connected to the town water supply
that this problem was solved.

In 1886 and 1887 the works were stopped because of the short-
age of vessels to carry the meat. The Burnside works were in operation
for only 203 days in a year, and the Oamaru works for 220 days. This
was the fault of the shipping companies who refused to fit up any
more vessels. The number of carcasses exported in 1887 was down also
to 98,247, although the number of sheep slaughtered was up. This was
accounted for, however, by the establishment of new works at Bluff
and Timaru.

Two of the major problems to be overcome were the cost of
shipping and the heavy London charges. In 1884 the Company allowed
5d per sheep to be returned to the shipper and in 1885 this was rais-
ed to 6d. It went down again to 5d in 1887 because of low prices in
England and was raised to 4d only in 1888 when prices were a little
better.
The increase in shipping rates in 1886 was due to a compact made between a Mr Haslam, the inventor of a new freezing machine, and the various shipping companies. Instead of making a profit out of all those who used his machine, he preferred to get a royalty on all shipments of frozen meat whether they had been frozen by his machine or not. Roberts was furious at the idea and said that he would be willing to lend himself to any move that would be the means of upsetting the arrangement. The chief offender was the Shaw, Savill Company who immediately introduced a new minimum charge of 1\(^{3}/4\)d. The New Zealand Refrigerating Company were lucky to get a contract with a Scottish line, the Shire line, who charged only 1\(\frac{1}{4}\)d. In 1888 the Shire line reduced its charges to 1\(\frac{1}{4}\)d at a loss of £2500 to itself.

With low prices in London and high shipping rates there was a decrease in the number of men shipping overseas. It was being left solely to the big farmers, and no wonder when they were receiving only 8s. 6d per sheep. This led to the selling of mutton in the New Zealand market, a policy which proved to be much more satisfactory, according to Roberts, than the old plan of shipping to London on the grower's own account. He reported that "A very large proportion of the meat frozen in our own works this year was sold in the colony. With the view to encouraging this trade as much as possible, the directors are now initiating a system of 'grading' the mutton".

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1 Annual report of the New Zealand Refrigerating Company, 4 August 1886, reported in the Otago Daily Times, 5 August, 1886, p.4.
2 Annual report of the New Zealand Refrigerating Company, 6 August 1890, reported in the Otago Daily Times, 7 August 1890, p.5.
The problem of heavy London charges and the faulty organisation of the market which resulted in large quantities of meat being thrown indiscriminately into it, were the cause of a visit to England in 1884 by John Roberts. He hoped to arrange for a single agency which would eliminate conflicting interests and provide for a more equitable distribution. He thought that this single agency would have the effect of saving the growers from the payment of the commission on the sale which went to the various merchants who represented them in England. The manager of the Shaw, Savill Company, Mr Alfred Temple, with whom Roberts had talks, felt that a company worked on the lines advocated by Roberts would interfere with the interests which the various companies had in the trade owing to the commissions which they received from it. He suggested that the various companies to whom the meat was consigned should employ, at their joint expense, a special staff for the purpose of taking charge of all meat shipments from the colonies, but that they should still receive their commission. Each cargo should be treated as a single shipment, the various qualities of sheep being graded into three qualities in New Zealand, and the net results of the sales of each particular quality being divided amongst the shippers of each quality, less commission, in exact accordance with the weight contributions of each. In this way interference with private interests in England would be avoided. Now would the interested firms suffer in the matter of commissions as it was likely that the arrangement would increase the market price realised by the mutton and so increase the amount of money on which they would receive commission, Whereas should a
single agency be formed on the lines suggested by Roberts, the immediate effect of it would probably be to divide the trade into two camps, one represented by the colonial company, the other by the various firms interested who would, because of the interference with their legitimate commission business, oppose the new company.

As a result of these talks, Roberts returned to Dunedin with a report incorporating both views. A conference was held in Christchurch in 1886, at which all the freezing companies in New Zealand were represented by delegates. The result was that no agreement could be reached on the proposal for a central agency, but a resolution was passed affirming the desirability of a committee of London consignees being established with the view to co-operating in some way, not necessarily on the lines suggested either by Temple or Roberts.

In the annual report for 1885 Roberts said that he had thought at the time that this resolution would be a "dead letter", and though he was bound to tread on some people's corns, he had no hesitation in saying that many of the delegates at that meeting had not honestly and earnestly a desire to see the trade very much better, if its betterment meant interference with vested interests. He said that he had stated at the time that this resolution was passed for forming a committee in London, that it would not answer. He believed that co-operation on the part of consignees was to all intents and purposes an unworkable thing. Roberts reported that it was also resolved at the conference that the Christchurch and Otago companies should endeavour to have the resolution carried into effect. Roberts said that he had not wished to act in this matter at all since the resolution was not on the lines he was prepared to support, but that the conference
would not hear of his withdrawal. The Christchurch company was elected as convenor and as a result, nothing more had been heard of about the matter. This fairly fully confirmed Roberts' opinion that the conference had been held for no other reason than to "sit on" the conclusions which he and W.S. Davidson had come to. No arguments were used. It was merely asserted that their proposals were unworkable.

Roberts felt, however, that if everyone was as much in earnest as Davidson and himself in seeing an improvement in the trade, all the imaginary difficulties would very soon disappear. He continued to believe that until some such combined action was taken, no permanent improvement in the trade would be secured.¹

As a result of this report, a meeting of shareholders of the New Zealand Refrigerating Company was held on the 21st October 1885 and a resolution was passed to set up a central agency in London on the lines suggested by John Roberts. This resolution too, was doomed to failure. A report was sent back by W.S. Davidson and C.C. Murray, who had been appointed to look into the matter in London, which contained the following information:

Seeing that the present time is so extremely inopportune for floating an entirely new and independent consignment company we cannot advise any such step being ventured on, and we think the attempt would result in a decided failure.

With these facts before us, we have turned our attention to the only other available consignment company which, in our opinion, goes far to fulfil the requirements of the trade, viz, Messrs Nelson Brothers (Limited).

¹ Annual report of the New Zealand Refrigerating Company, 14 August 1885, reported in the Otago Daily Times, 15 August 1885, p.4.
We are aware that in the colony this company did not at first stand high as a satisfactory channel to sell through, but they have latterly gained much experience in the trade, and have, we consider, now done so much towards making themselves masters of the business that they can safely be trusted to handle very large quantities of meat.¹

The directors, after considering this report, decided to adopt the suggestions made by Davidson and Murray, and accordingly made arrangements with Nelson Brothers to receive cargoes.

This arrangement did not work out satisfactorily at all and the growers insisted that the association with Nelson Brothers be discontinued. In mid-1887, the directors formed an alliance with Messrs John Bell and Sons which proved to be much more satisfactory.

From 1890 onwards the trade soon picked up again. Meat sold at 63/4d per pound. Shipping rates were still high but the rise in prices helped to compensate for this.

Roberts remained chairman of directors of the New Zealand Refrigerating Company until 1905 when it was absorbed by the Christchurch Meat Company who took the name, the New Zealand Refrigerating Company

¹ Annual report of the New Zealand Refrigerating Company, 4 August 1886, reported in the Otago Daily Times, 5 August 1886, p.4.
LTD, His scheme of a central agency for the distribution of frozen mutton never eventuated. As Temple said, there would have been too much opposition to such a move.

Roberts' chief contribution to the promotion of the frozen meat trade was his work in the development of the New Zealand market. He was a great supporter of selling products locally. As in the wool trade, he felt that local sales gave better value and there was less risk attached.

He was also a great agitator in the movement to have shipping rates reduced and to cut out the activities of the middlemen in selling the meat in London since their charges reduced the profit on each shipment.

During his years as chairman, there were great strides made in the frozen meat trade. Under his able guidance the Company moved through its embryonic period to emerge as the foremost meat company in a trade which was destined to become one of the most important contributors to the New Zealand economy.
CHAPTER SEVEN

THE NIGHTCAPS COAL COMPANY

Coal was first discovered in the Nightcaps district in the early 1860's by a boundary rider from Birchwood Station. Several pits were subsequently opened to supply coal by the dray load to local settlers.

It was through the indebtedness of a Mr William Johnstone to Murray, Dalgliesh and Company that John Roberts became involved in coal-mining. Johnstone had discovered coal on his property, which was part of the Amandale Estate, early in 1879 but lacked the means to do anything about it. By the end of the year he had become so much in debt to Murray, Dalgliesh and Company that the only way he could hope to pay them would be by selling the land in which the coal lay. Roberts was quite happy with this arrangement but John Dalgliesh, seeing a golden opportunity for making a profit, suggested that the various partners of Murray, Roberts and Company buy the field and develop it as a mine. Roberts was not at all keen on the idea for it seemed to be a very risky venture to him, Sanderson, too, had words to say on the subject:

Of course you on the spot are best able to judge whether the
mode adopted was the best way of getting out of the Acct. concerned, but personally I don't like these outside transactions which have never done us any good and anything in the shape of a mine — be it "coal" or "gold" is I think especially objectionable. 1

Dalgliesh, however, insisted that they could not lose. Roberts, therefore, for the first time, went against his better judgement and joined the venture.

A brother of the Handsides at Lauder, William, was also anxious to come into the project. He was most enthusiastic about it and was quite sure it would be a good speculation. In a letter to Roberts he said:

In the Bank of N.S.Wales there, [Invercargill] I saw Newcastle coal burning at a cost of 36/- per Ton and Kaitangata @ 30/- or thereabouts - The former did not seem to be better and the latter not so good as the Nightcaps which of course could be delivered all over Southland including the Bluff at a cheaper rate than either - Now that the Shag Point line is completed I notice that they are turning out large quantities of coal at a paying price, and I am told that the Railways think of the Nightcaps for burning purposes, which alone is sufficient inducement to begin operations . . . . 2

Having gained the good verdict of the Railways on the coal it was decided to go ahead and form a partnership. In November 1880 the partnership was formed under the name of the Nightcaps Coal Company. The partners were William Handside who was also the manager, John Roberts, John Dalgliesh, William Murray, William Johnstone and G.E. Twining. 3

There was a prospect, too, of a railway line to Nightcaps in the near future. The Government had already started on a line from

1 J.S.—J.R., 30 December 1880.
2 William Handside to John Roberts, 18 June 1880.
3 Twining was a surveyor in Invercargill.
Invercargill to Otautau with an extension planned to Nhai. Dalgliesh had already secured tramway rights for the forty chains through government land from Johnstone's property to the proposed termination at Nightcaps, so that the Company could build a small private track for their coal trucks, but this was extended to Wairio where the Government line was to end for the time being.

Work was started on the mine in November 1880. A Mr Robert Sharp and his two assistants were employed to sink the shaft. They unfortunately struck boulders at twenty five feet, but as Sharp did not think that the boulders extended to any great depth, they decided to sink straight through them instead of boring their way through.

Twining offered to look after the sinking of any shafts, the laying out of the surface and underground workings and plant, the building of the railway from the government terminal to the mine, and to do all the surveying required for four hundred pounds per annum plus expenses. Roberts felt that this price was a little too high and offered him three hundred pounds instead with the understanding that if the work to be done turned out greater than expected, a further one hundred pounds would be paid. Twining accepted their offer.

Colliers began taking out coal on the 9th December to be sold to farmers in the district for the winter. It was necessary to do this in the summer because of the state of the roads in the winter. The colliers were paid at the rate of nine shillings a day.

The first shaft did not prove to be very satisfactory. It had flooded in its early stages and further heavy rain flooded it again.
in December when the roof fell in. Twining, therefore, ordered another drive to be made into the deepest part of the field, east of the present shaft.

An initial boost to the Company was the request of the Railways Department for a sample of the coal for trial in locomotives. The results were very satisfactory and the Railways placed an order with the Company. But the Company could not fulfil the order because the railway had not been built. Handyside wrote an urgent letter to Roberts to ask him to press upon Mr Oliver, the Minister for Public Works, the necessity of completing the Nightcaps line immediately. The money had been voted in the last session for 1880 and nothing had been done about it.¹ The line was begun eventually mid 1881. Nor did the building of their own line meet with any better success. In order to reach the mine in the shortest and most economical way it was necessary to cross a reserve owned by the High Schools Board. The Board, however, were reluctant to part with their land and asked an exorbitant price for it. Months of Negotiations passed which finally came to nothing and the line had to be built around the reserve.

As well as having difficulties with their railway line, they were also having trouble finding a deep coal seam. By August 1881 it seemed as though this was going to turn out to be a bad investment and Roberts sold his half his shares to Twining.

The railway was finally completed in January 1882 and opened on the first of March. About five hundred people took advantage of the special train to Nightcaps on that day to see over the mine. The

¹ Handyside to Roberts, 18 January 1881.
Southland Times which gave a full report of the proceedings, said:

Nothing created more surprise amongst the "new chums" than the position of the mine and the workings of the Coy.

Popular impression seemed to be that the coal was being worked by mines in the side of the hill, whereas the present workings lie in what may be termed a flat, considerably lower that the Coy's railway and connecting with it by a long sharp incline, up which the coal is brought in small hutches.

Operations for coal getting are now being carried on by means of an inclined mine, in some 250 yards and 70 yards below the surface at its lower end.1

It is interesting to note that Roberts' name was not mentioned during the celebrations that followed. Toasts were drunk to Mr Handside and Mr Johnstone, and Handside, in his reply, alluded to the absence of Mr Dalgliesh but not to that of John Roberts.

One hundred tons of coal were sent away during the first week after the opening of the railway. The Railways Department put in an order for forty tons a week, but, as with the previous order the year the Company found difficulty in fulfilling it, this time because of the shortage of trucks. This was a serious matter for the Company, not only because it could not fulfil the Government order, but it had sent pamphlets all over Southland advertising coal for threshing machines, and, because these orders could not be delivered, people said that the Company was a fraud and refused to buy from it. Handside threatened to close the mine if he could not get trucks. This information was conveyed to W.M. Hannay, the district manager for New Zealand Railways in Dunedin, who promised to do something about it. A few weeks later a number of trucks were delivered to the mine and the disaster was averted.

1 Southland Times, 5 March 1882.
The Company's troubles were by no means over. In September 1882 the Waicola residents complained that operations at the mine were polluting a creek in the area, and that their land was likely to be flooded in winter. The land then had to be resurveyed and a lot of legal arguing took place before the residents could be pacified.

It is not surprising, then, that by the beginning of 1883 Handyside had become a bit depressed about the future in coal. There had been too many set-backs to make the mine profitable. His father advised him to take up a run either on his own or with his brothers who were now managing properties in the North Island under the name of Handyside and Roberts.1 The Roberts family, too, felt that the sooner they were out of the Nightcaps business the better.2 But it was not easy to dispose of a mine, particularly during these depression years. It was hoped that the Government would take over the mine and the railway but their hopes were soon dashed. Then they tried to float it as a public company but no-one was interested in taking shares. The years went by and still they could not get rid of it. But the troubles which had beset them in the early years gradually disappeared and although the mine never really prospered, it was not a failure either.

In 1899 a limited company was formed, the shareholders being John Sanderson, George Roberts, Alexander Roberts, Thomas Roberts, John Roberts, George Roberts (son of John), and William Handyside.

1 of Chapter III.
2 Tom Roberts—J.R., 24 January 1883.
It continued as such until 1925 when it was wound up as the seam was worked out.

The New Zealand Railways took over the line in 1905 and paid the Company thirty pounds a year plus two shillings and sixpence per ton on all coal received at the public siding on the Company's line. When the Company was wound up the Government bought the line and all the sheds for £3,724.1

It is strange that the mine should end up in the hands of those men who were, in the first place, so much against it. Perhaps mining had turned out to be less objectionable than Snederson thought. It never became a money-making proposition, although it never returned to the disastrous state of its first few years. The answer, however, is that since the mine could not be disposed of, because no-one would buy it, the only way to keep it going was to make it into a limited company amongst themselves. Otherwise the partners would have too great a liability on their hands. By turning their partnership into a limited company with more shareholders, they would not be liable for any more money other than what they had already paid out in shares, should the company go bankrupt. Thus the shrewd Scottish businessmen conserved their money in the best way possible until such a time when they could either sell out or wind up the enterprise without too great a loss.2

1 Emerson, G., Dangerfield, J., and Bellamy, A., Coalfield Enterprise: Private Railways of the Otago District, Southland, (Dunedin, 1964)
2 No further information or statistics are available on the Nightcaps Coal Company.
CHAPTER EIGHT

ERILOGUE

One more aspect of Roberts' career needs to be considered before ending this study. Was he a successful entrepreneur?

There are many different interpretations of the function of an entrepreneur. G. Herberton Evans believed that:

... every business firm has some person, or group of persons, who can be said to provide entrepreneurship. ... the entrepreneur can be defined as the person, or group of persons in a firm whose function is to determine the kind of business that is to be operated.

... Clear vision of the nature of his business seems particularly crucial for the innovating entrepreneur. For success he must have a real feel for the place his innovation is to occupy in the economy, and he, or a close associate, must have the judgement to decide what technical features are necessary to the innovator so that it can occupy that place.1

F.H. Knight called an entrepreneur a "specialist in risk taking."2 A.H. Cole said that entrepreneurship could be defined as:

the integrated sequence of actions, taken by individuals or by groups operating for individual business units, in a world characterised by a large measure of uncertainty, such actions being modified to a greater or lesser extent by contemporary economic and social forces. This sequence of actions is intended to increase the residual element in business income for

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2 Knight, F.H. "Profits and Entrepreneurial Function", in Tasks of Economic History, December 1942.
those business units, namely, profits, or to achieve some other business gain, . . . . Thereby an advantage is hoped for . . . by those planning and executing these actions either for themselves or for the institutions with which they are affiliated. 1

Cole divided the actions of an entrepreneur into six parts — first, the entrepreneur determined the business objectives of the enterprise and changed those objectives as conditions required; second, he developed and maintained the whole organisation, including efficient relations with subordinates and all employees; third, he secured adequate financial resources and nurtured good relations with existing and potential investors; fourth, he acquired efficient technological equipment and revised it constantly as new machinery appeared; fifth, he developed the market for his products and devised new products to meet or anticipate consumer demands; sixth, he maintained good relations with public authorities and with society at large.

The definitions of both Evans and Cole can be applied to Roberts as a member of a group more than as an individual. He himself was no risk-taker, nor even an innovator. But he was associated with groups who were both these things. The obvious example to take here is the frozen meat trade and the founding of the New Zealand Refrigerating Company. He was not the man who started it in Otago, but he was among the group of men who did and soon became the director of it. Does his work not come, then under the spheres of action of entrepreneurs as defined by Cole?

Again, does not his work in the founding and directing of Murray, Roberts and Company, in company with John Sanderson, John Murray and George Roberts, also come within the definitions given? As A.G. Smith said:

The entrepreneur is an innovator, but he may also be an imitator, taking the initiative in the introduction of some aspect of proven technological knowledge to the new situation in which he operates. This migration of technology is a selective phenomenon and the transfer normally demands some form of adaptation. Nevertheless, the experience of the original entrepreneurial agency often stands as a 'model' for subsequent entrepreneurs operating in a different time, place and circumstance.¹

It must be remembered, however, that Roberts as a member of a group only can be regarded as engaging in entrepreneurship. He himself did not have the necessary capital nor the innovating spirit.

The importance of the study of entrepreneurial activities and entrepreneurs is that the application of new knowledge to some form of economic activity engenders economic growth and development, which in turn makes economic history, and the study of the entrepreneur is the study of the personal factor in economic history, the study of the protagonist of economic growth.²

The influence of Roberts was widespread and longlasting. His advice was asked on many matters, even by the Government. When Massey was Prime Minister, for example, Roberts was asked to give advice on the best size for blocks of land for the small farmer. Roberts said

² Ibid.
that in flat, highly productive areas they should be no smaller than 400 acres, and that runs should carry 3500 sheep. This became a polit-
cical issue and the Government decided in 1918 to have 100-acre farms. These proved far too small, they were all bought up again and re-all-
located as 300 and 400- acre farms, as Roberts had suggested.

Although regarded as a tough business man he was much respected Stratford
in the commercial world. H.A. Stratford wrote to him, "I have no doubt
that your name on the Colonial Bank directorate has favourably influ-
enced the purchase of many shares. Your reputation for honesty and
wealth is a good asset."¹ A client of his wrote, on the occasion of
Roberts' election as mayor of Dunedin in 1889, "You have always been
... plain solid good and sincere in all your doings."²

Roberts' own advice to businessmen, certainly followed by him-
self, was this:

In all your business transactions always act thoroughly straight-
forwardly and never give people cause to say that your word
is not as good as your written bond. Always act towards oth-
ers as you would like them to act towards you. When you have
an unpleasant duty to perform always perform it with discr-
etion and do not perform it in a harsh way but be considerate
in your actions and yet firm - Do not be at all overbearing
in your conduct towards your inferiors but always be kind
towards them and only speak sharply when you are called upon
to do so and when such a course is necessary. I have a great
aversion to the haughty overbearing style one sometimes observes
in the Colonies on the part of young fellows who, when they
get into a position over their fellows, seem to take pleasure
in riding roughshod over their inferiors. We should all remem-
ber that we all have our masters and that if we behave unseemly
towards our inferiors we may in turn be served the same by our
superiors. The essence of this can be condensed into a new

¹ H.A. Stratford-J.R., 11 September 1890.
² D. Whytock-J.R., 2 February 1889.
testament text "Be ye sober-minded." One may often notice in the course of experience, that many (nearly all) make good servants but few are fit to be masters.¹

One can almost hear his mother's advice ringing in his ears while he wrote this at the age of thirty-five. It was a policy which he carried out during his life and it owes much to the influence of his parents, particularly his mother.

A tribute in the Otago Daily Times, on the occasion of the fifty years jubilee of the Mosgiel Woollen Company of which Roberts was still chairman, sums up the contribution of John Roberts to the Otago community in the following words:

The numerous company directorships which Sir John has held, and still holds, and the public positions he has occupied, bear witness to a life of unusual activity and at the same time to one in which time and service have, in generous measure, been devoted to the welfare of the whole community.

Dunedin commercial men have often been reproached for their conservativeness and their cautious methods of doing business, but, though many firms have come and gone since Sir John reached New Zealand, he has lived to see the justification of the policy by which many of his enterprises have been conducted. The ability to "sift the tares from the wheat" has been an outstanding characteristic in a career singularly successful in the commercial world.²

Although this tribute came almost at the end of Roberts' life, it is still applicable to the early part of his career. He held as many company directorships at forty as he did at eighty nine, and he had given himself in public service since the time of his arrival.³

His highly successful business career was founded on the ability to

¹ J.R.—Charles Murray, 27 April 1880.
³ See Appendix for list of company directorships, public offices etc.
"sift the tares from the wheat", on a capacity for hard work, and a reputation for honesty. Because of these characteristics, he succeeded where others failed.

The directorships of fifteen companies, including finance, land, farm equipment, wool, meat and shipping, show the extent to which Roberts was involved in the economy of city and province at a time when Otago led New Zealand as a base for sound commercial enterprise. The number of years he held these directorships is an indication of the confidence the shareholders had in him.

The general public, also, respected him, and showed their confidence in his abilities by electing him to the Provincial Council, the Taieri County Council, the Otago Harbour Board and Mayor of the city - all before he was forty-five years old.

Even in this supposedly mechanical and industrial age of the mid-60's, the New Zealand economy is more dependent than ever on agricultural production. The continued prosperity of the companies in which John Roberts exercised his greatest influence, is testimony to his commercial ability and his foresight in evaluating New Zealand's future.

This short study of Roberts shows the development of the first half of his life to the height of his power. The seeds sown in these early years produced honours and public recognition in his later life. Murray, Roberts and Company, too, had reached its greatest extent and settled down to years of consolidation and prosperity as the largest private wool-broking concern in Otago.
It is unfortunate that there are no more records to continue the later history of John Roberts and Murray, Roberts and Company. It is quite clear, nevertheless, from the first half of his life story that he was one of Otago's leading figures at that time. His story also throws a good deal of light on the activities and growth of the commercial and agricultural life of the province. Roberts' great contribution to this life deserves more recognition than it has received from the present generation. It is a pity that New Zealand has produced so few men of his calibre, abilities and strength.
APPENDIX

COMPANIES IN WHICH JOHN ROBERTS HAD SHARES

Murray, Roberts and Company (and its associated partnerships)
Nightscape Coal Company Ltd.
Hosgiel Woollen Company Ltd (director for 65 years)
Milburn Lime and Cement Company Ltd (director 1911–35)
New Zealand Refrigerating Company (director 1881–1905)
Union Steam Ship Company of New Zealand (director for 28 years)
Mutual Life and Citizens Assurance Company Ltd (local director)
Waima Railroad Company
Cranley Dairy Factory Ltd
Victoria Fire and Marine Insurance Company (local director)
Trustees Executors and Agency Company of New Zealand Ltd (director 1906–1913)
Christchurch Meat Company Ltd
New Zealand Hardware Company Ltd
Dunedin Saleyards Company (director 1869–1910)
Colonial Bank (director)
Donaghy's Rope and Twine Company Ltd (director 1914–35)

(This list is not complete, but information on smaller companies not available)
ASSOCIATIONS IN WHICH ROBERTS PLAYED A PROMINENT PART

President of the Dunedin Chamber of Commerce
Chairman of the New Zealand Woollen Mills Owners' Association
The Caledonian Society (Director, President 1889)
Otago Cattle Board
Otago Agricultural and Pastoral Association
Jubilee Institute for the Blind
Otago Chess Association

PUBLIC OFFICES

Member of the Otago Provincial Council 1875
Chairman of the Taieri County Council 1879-88
Mayor of Dunedin 1889-90
President of the South Seas Exhibition 1889-90
International Exhibition Commissioner 1906
Vice Chancellor of Otago University 1912-21
Dunedin Sinking Fund Commission 1905

AWARDS

Commander of the Order of St Michael and St George 1881
Knight Commander of St Michael and St George 1920
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