

GOLD MINING IN THE WAKATIPU ....

The following article was written exactly 100 years ago by John A. Miller, and is the second part of a four part article. The first part covered the discovery of gold in the Wakatipu and the very earliest days, and as this part of the history has been told and re-told it did not appear to be any merit in publishing it again. Mr Miller was a miner in the Wakatipu from the very earliest days and writes with first hand knowledge.

"Hitherto it was held by the majority of the miners that no quartz reefs existed in New Zealand. This idea - for it can be called nothing else - was no doubt incited by the apparent absence of quartz seams in the rocks, which were everywhere exposed and laid bare. The many deep ravines cutting in every direction through the mighty mountain masses, were rightly looked upon as so many prospecting drives, in none of which indications of quartz reefs were visible. No where in all the vast slopes of the hills; or upon their summits were these outcrops of quartz, such as are to be found in the Australian Colonies. All this seemed to pronounce against the existence of quartz reefs in New Zealand, but there is a reason why reefs do not show on the surface here, and that is because they are 'mullock reefs.' Even in the blocks of stone they contain, the quartz appears to be in a decaying state, and resembles in its texture much more 'siliceous sinter' than crystalline quartz.

A reef of this description has been sluiced away in the Old Man Range, near Bald Hill Flat, to a depth of nearly 100 feet and for a distance of upwards of 300 feet in length. The yield averaged from £10 to £12 per man per week, and sluicing would have been continued had the ground not become too dangerous to work - there being no timber nearer than some twenty miles, and the reef, which occurs near the snow line difficult of access. The amount of gold lost by the wasteful process of sluicing may be guessed at, taking the amount saved as an index. The property is now formed into a public company and known as 'White's reef'. Sluicing, of course, has been abandoned and the claim is worked as most other quartz reefs are in New Zealand, viz, by adits or drives, driving into the hillsides until the reef is tapped.

It is rather strange that, although 'mullocky quartz reefs' exist in many parts of Otago, their first discovery should have been made in the Wakatipu district, the farthest inland, and the least accessible one in the whole Colony, and here again the reefs were found in the least accessible portion of the least accessible district. But such was the spirit of enterprise amongst the miners of the early days of the field, that all the difficulties in the way of the successful establishment of quartz reefing in these parts were soon overcome.

The credit of the discovery of the first quartz reef in Otago is due to Mr Alex Olsen, who after finding some loose quartz richly dotted with gold in the bed of Skipper's Creek near its head waters, set to work prospecting and soon found quartz, which taken promiscuously from the outcrop yielded one ounce of gold to the bucketful of stone. Fully apprehending the importance of his discovery he carefully covered up his prospecting holes, deciding to go to Victoria, where he had a brother, to bring him over, so that he might share his good fortune with him. Unfortunately, however, the lurements of Dunedin spoiled these well intentioned plans, and fear that his discoveries might be traced by others, induced Olsen to return to Skipper's Creek. Unlike most parts of the goldfields of Otago, a dense bush of birch trees covers the mountains near the head waters of Skipper's Creek, and thick undergrowth interfered much with striking lines, and marking off claims. However, no sooner did it become known that quartz reefs existed upon these hills, than they were rushed in every direction.

Reefs showing fair prospects were discovered in several parts of the Shotover district, when their existence had once been proved. From the head of Skipper's Creek they were traced west up the flanks of Mount Aurum 7392 feet above sea level, and in an easterly direction they were found to cross the Shotover Valley a short distance above the mouth of Skipper's Creek, where it falls into the Shotover River. The existence of reefs and their value once established the question arose, how to bring crushing machinery to such an outlandish place as Skippers then was, and to a certain extent still is. At that time there was only a very indifferent pack-track leading from Queenstown up to Skippers rising a saddle about 2000 feet high at a pretty steep gradient, and descending into the Shotover River nearly to the same depth by the dreaded Zig-Zag at Deep Creek.



It would be useless to describe in detail the difficulties encountered in the transport of all the heavier pieces of machinery; or to record the number of horses killed; or the amount of damage done to the machinery in slipping down the precipitous sides of the mountains. Something of a similar kind was experienced in Victoria at Wood's Point, and other places, but the Skippers pack track far exceeds all these cases, for the distance of the really bad road was more than 20 miles, and for the greater part it was a sideling track, topping precipices more than a thousand feet, below which raged a wild mountain stream, confined in a narrow gorge from which there is no escape, as either side the banks rise in perpendicular cliffs. All the heavier pieces of machinery had, of course, to be conveyed upon trollies built for the purpose. In some places of the track, the horses which were yoked in single harness, on account of the narrowness of the track, could not move these trollies because of the sharp turns in the track, in others it was too dangerous or even foolhardy to risk both the machinery and the horses going down the steep gradients of the track. In such parts the trollies were moved along by manual labour, assisted by levers, screwjacks, blocks and tackle rollers, etc. Often 20 men were engaged all day to move a trolly the distance of 200 yards. The most dangerous part of the road was, however, the Zig-Zag leading down the side of a spur between Deep Creek and the Shotover River, which occasionally has a grade of nearly 2 feet of fall in one and be it observed the so-called track measured across its width dipped nearly all the same grade outward.

Stamper boxes, and every other part of machinery which admitted of it, were cast in pieces and put together upon their arrival upon the spot where wanted. However all these difficulties were overcome, and in the course of time the noise of the stamper's were heard on the land. It is true they had only wooden shanks; the grating went 60 holes to the square inch; the motive power was water, and the whole machine was of the most primitive, not to say makeshift character, in spite of its great cost, from £60 to £80 per ton must be allowed for transport from Queenstown alone, so that freight per ton from Dunedin cannot be put down at less than £100. This state of affairs is now about being remedied, as a dray road is in course of construction to Skipper's Point, by which the Shotover Valley will be made accessible to wheeled vehicles.

The stupendousness of this work will be seen when it is stated that sections of the road will cost upwards of £300 per mile and that the cuttings, which are all in solid rock, are often over 100 feet deep on the hill side, before a sufficient width for a dray road could be obtained; so precipitous is the nature of the country.

However, to return to the reefs. When crushing commenced some really splendid results were obtained. A parcel of several tons from the British American went over 2 ozs to the ton, a trial crushing from the old Scandinavian gave nearly 4 oz per ton, and many other claims yielded equally well. Unfortunately these crushings were all made up from picked stone, and when the quartz came to be passed through the mills as it was taken out of the face of the slopes, these high yields were not nearly maintained. This caused the weaker hearted to lose faith in the reef, and in the face of the great difficulties, and consequently the vastly increased cost of working them many payable ventures were abandoned before they were properly tried. At this early time - 1864-1866 - the field had already entered the speculative share market to such an extent that a few relapses were sufficient to cause a panic, and as the misses outnumbered the successes and the latter failing short of expectations the crash soon came, and when it did come was a complete one.

About 50 or 60 claims were taken in hand and prospected with differing degrees of energy, and with varying grades of success, but in nearly all of them well defined lodes were discovered, carrying more or less gold. This, however, did not save the field from being abandoned by the 'speculative miner', who wanted immediate and large returns for his investments, or failing these a constantly increasing market value of his strip. To lead their aid and means in prospecting a new field was none of their concern, and consequently they withdrew, contenting themselves with giving the field a bad name, partly to revenge themselves upon it, and partly to excuse their own folly and short-sightedness.

Not so, however, the practical working miners. They continued to plod away at the difficult task unaided, and several really grand successes were attained. But it soon became apparent that to profit permanently by quartz-reefing at Skippers something more than a battery of four wooden stampers shod with wrought iron shoes, was required which was the extent to which machinery had attained.



The "Scandinavian" and the "Otago" companies decided upon the erection of proper crushing mills of four batteries each, and although their decision was looked upon generally as madness, they carried it into execution, and the parties worked away, obtaining profitable results until internal dissensions in the Scandinavian Company led to the shareholders, who were all working miners, selling out their shares at prices varying from £1,100 to £1,600 per share to Mr G.F. Bullen, Mr R. McGlashan, and others. The new company purchased a battery of 30 heads in Melbourne, which after many difficulties of transit, were in part erected upon the present site of the machine, there not being sufficient motive power to drive 30 heads. These transactions took place in 1865, and when completed work in the mine was once more vigorously undertaken. But the yields did not come up to expectations, and after a string of reverses and many changes in the management, the whole property was put up at auction and knocked down to Mr Bullen for £400, but as his advances to the previous company amounted to several thousands of pounds, the purchase was not as cheap a one as would appear on the face of it.

Advertisements having been inserted in the Melbourne Argus for a manager, Mr Fred Evans, an experienced mine manager, was placed in charge in 1867, and still continues at the head of affairs. Mr Evans introduced a new system of work, and for the first time at Skippers was prospecting conducted upon well-considered plans, and in a systematic manner. But in spite of this no permanently payable stone was met with, and until about two years ago the mine was working at a dead loss to the proprietor, Mr Bullen. During this long spell of 17 unsuccessful years everything was done that could be done to furnish the owner of the mine with some proof of the value of his property. Prospecting was conducted upon the most efficient and economical plan; no expense was spared in the erection of the best gold saving machinery; different modes of working the claim were introduced, and the mine let on tribute, but all to no avail. Gold, it is true, was met in payable quantities, but in patches only, from one of which 3,000 ozs of gold were taken, and which then gave out.

It was during this time that the name of the mine was changed from the 'Scandinavian' to the 'Phoenix', and prospecting was still continued, without, however, effecting much improvement. An

adjoining lease below the Phoenix having been abandoned, Mr Evans at once secured it, as it afforded him an opportunity of approaching the mine from the creek level, about 150 feet lower than any of his previous workings. Explorations were carried on from this level in different directions, but did not lead to any new discoveries and croakers who had all along predicted that quartz reefing at Skippers and for the matter of that, in New Zealand, could and would never pay exulted in their own self conceit. However, neither Mr Bullen, the owner, nor Mr Evans, the manager of the mine lost faith in it. Nearly £50,000 of hard cash had been sunk in the venture, besides all the gold obtained during 17 years, amounting to about 10,000 ozs of gold, so that in round numbers £90,000 had been spent in prospecting the reef, when about two years ago the 'Middle Lode', and shortly after the 'Promised Land Lode' were struck in the low adit. It then appeared that the reason of the unsuccessful prospecting on the higher level was that these lodes did not rise up to it, and Mr Evans at once decided to determine whether they continued to go down, and whether their character justified the making of the, at Skippers, expensive preparation for following them to any depth. A shaft was sunk and the lodes not only continued but improved in every respect. The question then at last was set at rest, and it was proved that payable lodes existed in the Wakatipu district, and next came the question of working them. Mr Evans clearly saw that a very great amount of outlay was necessary, in order to place the mine upon a sure footing. Past experience had proved that some other motive power than water was required for the crushing mill, steam machinery was necessary; powerful winding engines were required for the new shaft; pumping gear of a heavy description had to be erected at once, as a large body of water was met with in sinking, etc. All this induced Mr Evans to advise Mr Bullen to call in foreign capital, and float the mine upon the London market. An attempt to do so was made, but the depression which affected mining did not much to smooth the way, and Mr Bullen without much hesitation, determined to undertake the work himself. Preparations were at once commenced, while raising and crushing stone continued as heretofore. It soon became apparent that Mr Bullen's decision had been a wise one, for the yield of gold taken from the new discoveries for the past 18 months amounted to 8,000 of gold.

.. Extract from The Southland Times  
19 October 1886



POSTAL SERVICES ...

The following letter has been received from Mr C.J. Griffiths of Dunedin. Mr Griffiths is the author of 'Queenstown's King Wakatipu', the history of William Gilbert Rees in the Wakatipu and other historical works concerning the area. If any reader can assist Mr Griffiths in his research on Post Offices they should write to him direct at 30 Granville Terrace, Dunedin.

"I was extremely interested to read in your May 1986 issue (No. 36) of the late Patrick Cotter's reminiscences relating to the Upper Shotover. For some years I have been accumulating information, photographs and postmarks from all Otago post offices, and Cotter's story flushed out my material on the Upper Shotover.

Your readers may be interested in some further details. The Upper Shotover post office opened on May 4, 1903, at the home of William and Ann McLeod. William, who I believe was about 72 at the time the post office opened, was the official postmaster, but his wife (11 years younger) actually ran the service.

As Mr Cotter recalled, it was often difficult to get the mails through on time, and there was actually an inquiry about this in the winter of 1912 following a complaint. The report by The Queenstown postmaster of the time outlines the conditions that Jules Bourdeau, the contractor who took the mail up to the Cotters' store at Bullendale:

"...the Blue Slip (two miles on the Queenstown side of Skippers) came down on the 26th May and the road was blocked for vehicular traffic until the 24th July. For a great part of the time it was impassable for horse traffic, and between the dates named any one going by did so at their own risk. Bourdeau risked it several times when no one else would dream of doing so. Mr Sainsbury and Mr Gates, who were working at the slip, regularly assisted Bourdeau to carry the mails past. This was done before or after working hours. To go by while the men were working was not permitted ...

"...the old pack track was so bad as to be impassable, and the contractor had to hold his team this side of the slip and carry the mails on foot for four or five chains over a dangerous sidling to the packhorse in waiting at the other side of the slip. A great risk in such weather as we have had this winter ..."

The McLeods finally resigned from the post office at the end of 1912, when William (aged 81) had so much lost his sight that he was no longer able to write.

On January 1, 1913, the post office was moved 10 minutes walk up the river to the home of J.E. Smith, whose wife, Mrs Karolina Christiane Smith, ran it intermittently until 1915; then it passed to his brother, A.E. Smith, until 1920; to Elizabeth and Alexander Peat in 1921; and finally to P.T. Lynch in 1929. When he left the district the post office closed for ever.

When mining resumed in the 1930's, a telephone office opened at the premises of P.T. Lynch in 1933, and subsequent telephonists included Mrs I.H. Smith, L.I. Smith, Mrs L.J. Scheib, and Mrs C.M. Morrison, though there were intermittent periods of closure before the office was declared permanently closed in 1952.

On the subject of post offices. I am always keen to hear of photographs of old premises that were ever used as post or telephone offices in the Wakatipu area. Two on which my information is particularly thin are Closeburn and Creighton, and if any readers have photographs or first-hand knowledge of the post office workings at those two stations I would be very pleased to hear from them."

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#### WATER POWER ...

#### Water Power Queenstown

In the article about Eichardts Hotel in the November 1985 Courier reference was made to the installation of electricity operated off the town water supply.

The water pressure must have been good as six months after Mr Eichardt's achievement Mr Aldridge's new blacksmiths shop was completed including a lathe worked off the town water.

It was also reported that Reid the brewer was the first in town to use the town water to produce energy.

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## Litigation - Queenstown - Smith v Fischer

### LITIGATION IN QUEENSTOWN ...

Pride or stubbornness often result in small things being blown out of proportion and a court case in Queenstown in March 1887 appears to be such an instance.

It concerned one Smith a Queenstown solicitor versus Fischer, manager of the Bank of New Zealand. It was held before Judge Broad and a jury of four. Smith sought damages of one hundred pounds and was represented by Mr Solomon of Dunedin. Mr Turton a local solicitor appeared for the defendant.

The case concerned the vacancy for the secretaryship of the Wakatipu Hospital, a job with a small salary of twenty-five pounds but considered locally to be a prestigious position. There were four applicants, H.N. Firth, C.C. Boyes, M. O'Meara, and H. Manders all prominent citizens. Mr Firth was appointed.

Smith also applied but Fischer did not read it to the Board when the appointment was made though his name appeared in the minutes of the meeting written by Fischer.

Such was the grievance which culminated in the court case.

After an absence of two hours the jury found for Smith but put things into perspective by awarding a farthings damages. It was obvious that court costs to both parties was heavy.

But all ended happily as it was reported that the two had since reconciled.

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## The Malaghans of Queenstown 1-

### THE MALAGHANS OF QUEENSTOWN ...

The following article contains some detail which also appeared in the article about the Mountaineer Hotel in the last Courier. Apologies are made for the duplication but it was thought desirable to make this article as complete as possible.

Michael John Malaghan was a native of Pomeroy, County Tyrone who emigrated to Australia where he lived from 1853 to 1862. During this period he married his wife Mary Jane. Mr Malaghan was in business at Ararat, Avoca and Inglewood and based on his later career in New Zealand was probably a general merchant supplying the needs of the gold miners. Like many thousands of others the rich gold fields of Otago were a tremendous inducement to leave the largely worked-out Victorian fields and seek the golden returns from the new and exciting Otago fields. Mr and Mrs Malaghan's departure to New Zealand was probably triggered by the news of the rich claims in the Tuapeka or Lawrence area followed by the Dunstan, present day Clyde, Cromwell and Roxburgh. When they arrived in New Zealand the gold fever had spread to the Wakatipu where extremely rich gold fields were discovered in late 1862.

The Malaghans probably arrived in Queenstown in early 1863 and it is a fair assumption they brought with them some capital which enabled them to immediately set up business in a commercial venture with a Mr Comiskey. The Comiskey association apparently lasted a short period only and Mr Malaghan was early in business as a general merchant on a site near the present Mountaineer Hotel. The business provided for all the needs of the gold mining community including groceries, liquor, hardware, footwear, furniture, clothing and even firearms and explosives. In addition Mr Malaghan was agent for the Colonial Insurance Company and acted as a commission agent for the sale of shares and grain, etc. The business of Mr Malaghan was known to everybody in the area and was one of the main suppliers of the Wakatipu.

After the early period when gold could be virtually won by picking it up miners required financial assistance to provide their essential needs of food, etc. while they developed their claims and this is a role Mr Malaghan fulfilled, far and wide. Michael Malaghan early gained a reputation with the mining community as a person who



made a fair deal and stuck by his word. As a result his business activity and influence increased as time passed.

Michael Malaghan was present when all the sections in the newly surveyed township were sold by auction in January 1864 by the Provincial Government, when he purchased Section 29, Block 7, part of the present Mountaineer Hotel site and 5 Section in Block 9, Shotover Street. He also bought two sections in Block 20 on the eastern terrace in or near the street named after him.

Mr Malaghan owned two hotels in Queenstown which he did not appear to operate himself but rather leased out. One was the Victorian Hotel in Rees Street on the west side near Beach Street. This property he acquired in 1869. Its license must have lapsed after some years as the business then known as the Victorian Restaurant was sold to Mr Francois St Omer, baker for £200 by Mr Malaghan's widow in 1890. The other hotel was the Prince of Wales on the corner of Rees and Beach Streets which was established in the early days of the town. One other hotel Mr Malaghan either owned or had an interest in was the one on the Arrowtown road under Coronet Peak. The hotel also included a Post Office known as Malaghans. It is not known how long the business operated but the Post Office closed in the early 1880's.

Mr Malaghan from the time he arrived in the town took a prominent part in public affairs. His contribution to local government was outstanding being an original member of the Queenstown Borough Council (1866) and the Lake County Council (1876) and was Mayor of Queenstown from 1874 to 1877. Mr Malaghan served many other local organisations including the Jockey Club, the Wakatipu District Hospital committee, the Athlone and the School. Mr and Mrs Malaghan were faithful and generous supporters of St Joseph's Roman Catholic Church.

Two other brothers of Mr Malaghan, Thomas and Bernard also lived and worked in Queenstown in the early days of the town. They too had interests in business but little is known of their activities. Thomas who died in April 1874 at the age of forty two was a brewer by trade and had interests in the local brewery and one in Invercargill. Bernard who was a storeman died in April 1882 and was thirty six at the time of his death. Both are buried in the Queenstown cemetery. Michael John Malaghan, aged forty nine, died on the 18th of April 1884 and is buried in the Queenstown

It is a first class history showing the author's expert knowledge of the area and is an important addition to the history of the Wakatipu.

- \*\* The Queenstown Historical Map has been reprinted and is on sale locally at 50 cents each. Every member will receive a copy with the November Courier and comment and corrections will be welcome.
- \*\* Plaques have been installed on Eichardts and Mountaineer hotels, the Bank of New Zealand and the Ballarat Street bridge. The Lake County Council has accepted an offer by the society to place one on their building.
- \*\* A donation of \$250 was made to the Queenstown Borough Council towards the cost of restoring the stone wall behind the cemetery. Over the years deterioration and vandalism had affected much of the wall and it is good to see restoration proceeding.
- \*\* In the course of preparing the historical map it was realised two important buildings did not have protection under the District Scheme. These are the Queenstown Supermarket of 1879 and the Trading Post of 1872 both in the Mall. Steps have been taken to endeavour to provide protection.

Death has claimed two well known members of the society. Mrs. Rona McCurdy of Queenstown who did much work for the society over many years including being treasurer and Courier editor died suddenly recently. Her contribution to the society was outstanding. A long standing member, Mr Alec Barr of Gore died during the year. He worked in the Skippers area as a youth and his knowledge of the Wakatipu was extremely wide. He was present when the well known Jules Bourdeaux died at Skippers.

It is good to note several local efforts to retain the history of the area, including Fiordland Travel who have erected on the wharf as a flag pole the mast of the Ben Lomond. To the company and Mr C. Mulvey of Invercargill who ensured the preservation of the mast and gave it to the company we offer our congratulations. Fiordland Travel renovation work on the Earnslaw is extremely well done.

We are grateful for a further grant from Trusteebank Southland this year. The bank's financial assistance is very much appreciated and enables the society to undertake projects which would not be possible with the existing level of subscriptions. Sgnd A.J. De La Mare  
President



### TRIPS ...

The following trips and other functions are being arranged :-

30th November	Sylvan Lake, Routeburn Valley
25th January	Goldfields Park and Stewart Town, Bannockburn
22nd February	The Branches Station
29th March	Hayes Engineering Works Oturehua and Golden Progress Mine

All trips will be advertised in the local press. Bookings to be made at the Queenstown Art Gallery, Beach Street, and must be paid for at the time. Seating will be limited on some occasions, first come - first served.

### OPEN HOUSE, HULBERT HOUSE ...

Hulbert House Ballarat Street will be open to the public from 2 - 4pm on November 23rd and 26th, at a charge of \$1.0 for adults and 50 cents for children. This is an opportunity to see this fine old building which is unlikely to be repeated.

### CHRISTMAS FUNCTION ...

We have been invited to join the Queenstown Arts Society to a pot-luck tea to be held in their rooms in the old school at 6.30pm on either the 25th or 26th November. (Date to be decided later). It is proposed to have some entertainment probably in the form of some historic slides.

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