

THE DISPATCH FOUNDRY & DOBSON'S CREEK WATER RACE

Provisional Directors/ Committees

In the 1870's in New Zealand it was common practice to establish new public companies with provisional committees with provisional directors. The process involved was to advertise the prospectus in the newspapers showing the proposed capital raising, its structure and the proposed application of the funds raised; the provisional directors and other officers of the company and details of the purpose of the company. Once the company was established and the funds raised there was a general meeting of shareholders at which the directors were appointed.

Usually there were a relatively large number of provisional directors nominated. They were usually very well known businessmen who could add value to the establishment of the new company. A crucial part of the provisional director's role was to promote the company and ensure that the largest possible number of shares was sold. In this respect they would canvas the town and probably carried application letters for shares to provide to prospective shareholders.

We do not know whether there was any remuneration for this role but it would not surprise if there was a greater chance of a directorship if the role was actively pursued or perhaps even the prospect of some shares being provided at the expense of the promoters with a vested interest in the float.

Hamilton Gilmer was a provisional director for two proposed companies which he ultimately did not attain election. One of these businesses was a great success and the other does not appear to have been established.

THE DISPATCH FOUNDRY

This business was founded in 1873 as the Dispatch Iron Works. The name came from the *Dispatch* paddle steamer tug that operated in the port of Greymouth.¹ The owner of the Iron Works was a Scottish engineer John Sewell who had brought the *Dispatch* out from England in 1869. He accepted a job as the engineer on the *Dispatch* but found it was not a full time job so he set himself up doing various engineering tasks and odd repair jobs.

In 1872 he wrote to a Scottish friend AB Hughes, a Pattern-Maker, and told him of his plan to start an iron and brass foundry. Hughes came out the next year. With the assistance of William Rae who held the lease on the land chosen for the foundry, the Dispatch Iron Works commenced on 5 August 1873. The next year Hughes withdrew and Rae sold his timber business and joined Sewell, who had given up his job on the *Dispatch*, as a partner.²

¹ Grey River Argus 19 August 1873

² Greymouth Borough Council, Greymouth Centennial

The quartz mining boom around Reefton and the coal mines at Brunnerton gave a great immediate impetus to the business.³ This led to the need for additional capital to fund the continuing expansion and in July 1875 they formed the Dispatch Foundry Company Limited.

The Prospectus was advertised showing the company was seeking Capital of 10,000 Pounds⁴ in 10,000 one Pound shares. This was soon changed to 12,000 Pounds⁵ by the Provisional Directors to ensure the company would have sufficient funds.

P R O S P E C T U S

OF THE

DISPATCH FOUNDRY COMPANY

(LIMITED), GREYMOUTH.

Capital £12,000

In 12,000 shares of £1 each; 2s 6d per share on application; 2s 6d per share on allotment; the balance to be paid in calls not to exceed five shillings a share at intervals of two months.

PROVISIONAL COMMITTEE:

James Barkley	Martin Kennedy
W. J. Coates	Joseph Kilgour
F. Campbell	C. B. King
Gilmer Bros.	E. S. Lapham
F. J. Gleeson	E. Masters
George Glenn	R. Nancarrow
P. M. Griffen	John Orr
W. E. S. Hickson	G. S. Smith
F. W. Hungerford	W. S. Smith
R. J. Johnston	D. Sheedy

T. W. Wilson,

With power to add to their number.

The objects of the proposed Company are to purchase the land, premises, plant, and business known as the Dispatch Foundry, at Greymouth, and to carry on the Works upon a more extensive scale.

The estimated value of the plant and premises proposed to be purchased is £4400, and with the stock on hand for sale, viz., £2100, amounts to a total of £6500.

The present proprietors, Messrs Rae and Sewell, are prepared to take up 3500 shares paid up, as against the purchase, and their employees are willing to become shareholders, making the Company to some extent co-operative, which system has led to such advantages in Melbourne and elsewhere. The men thus having an interest in the success of the undertaking is an assurance that the works will be carried out satisfactorily.

The Provisional Committee need hardly point out the advantages to be gained by having a Railway and Foundry Works in Greymouth, employing from 40 to 60 hands, and turning out machinery without the expense and time lost sending to Melbourne or other places, and the high class character of work now being turned out is sufficient to guarantee that the Dispatch Foundry can compete with any Foundry in New Zealand or Victoria.

Forms of application and full particulars to be obtained from

G. W. MOSS AND CO.,
Tainui street; or
HINDMARSH AND CO.,
Mackay street.

Grey River Argus 4 August 1875

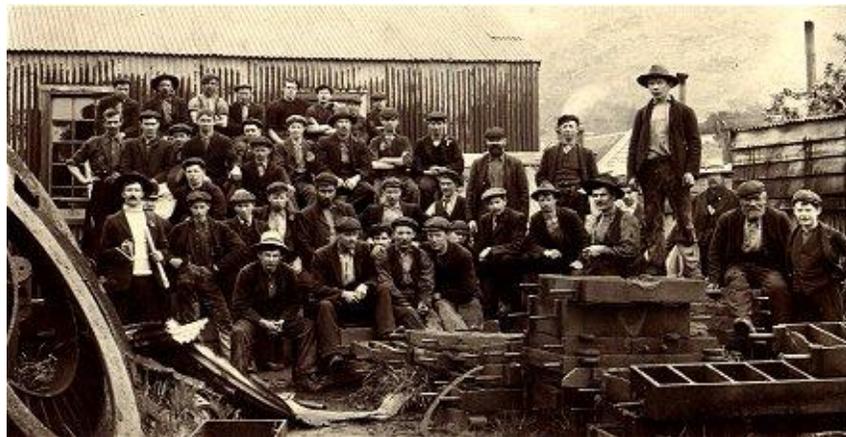
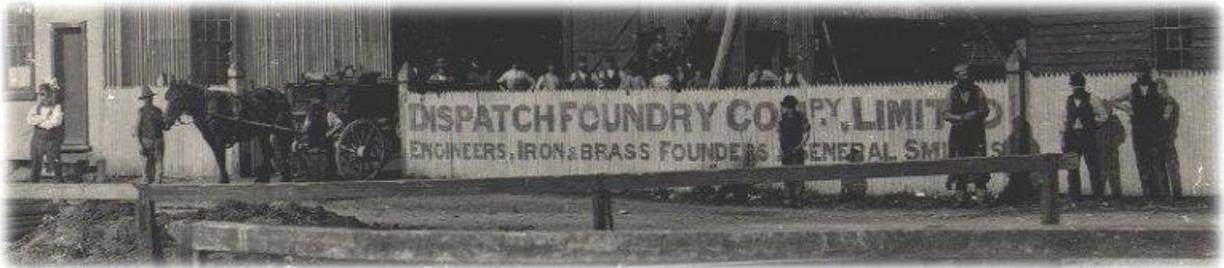
³ Grey River Argus 17 July 1874

⁴ Grey River Argus 29 July 1875

⁵ Grey River Argus 4 August 1875

It is of interest that the name of Gilmer Bros was used on the list of Provisional Directors. However, we believe that Hamilton Gilmer would have been the partner involved. However, the shares would have been taken up in the name of the Gilmer Brothers partnership. Subsequent to the floating of the company the number of directors was reduced.⁶ Hamilton Gilmer was not among those elected and he was not elected at later meetings. The company was quite successful and by 1877 was paying a 10% dividend which was maintained in subsequent years.

John Sewell left the company a few years after its formation but in 1889 there began a remarkable family connection with management when Joseph Hambleton became the manager. He was still in office when he died in 1906. He was succeeded by his son Percy who held the position till his death in 1953. He was succeeded by his brother John who died in 1957. Pat Hambleton, a grandson of Joseph, replaced John. The Dispatch Foundry still exists in Greymouth today as Dispatch & Garlick.



Early Photographs

The Dispatch & Garlick website⁷ contains a brief history of the company and more details of William Rae and Joseph Hambleton as well as historical photographs of the Dispatch Foundry

⁶ Grey River Argus 15 September 1876

⁷ <http://www.dispatchgarlick.co.nz/history1.html>

Dobson's Creek Water Race & Gold Mining Company

Hamilton Gilmer was also a Provisional Director for the establishment of this company. The prospectus was advertised on 6 August 1877 in the Grey River Argus:

P R O S P E C T U S

OF THE

DOBSON'S CREEK WATER-RACE AND GOLD-MINING COMPANY

(To be registered under "The Joint Stock
Companies Act, 1860),

Westbrook, County of Grey, New Zealand.

CAPITAL, £5000; in 1000 shares of £5 each,
of which 120 fully paid-up shares, and £200
in cash the promoters of the Company are
to receive for the purchase of all their
rights in connection with the Dobson's
Creek Water-race.

CALLS of 10s per share on application; 10s
per share on allotment; and future calls
not to exceed £1 per share per month.

PROVISIONAL DIRECTORS.

Mr James Barkley, Greymouth
" A. R. Guinness, Greymouth
" James Kerr, Greymouth
" George Glenn, Greymouth
" Edmund Wickes, Greymouth
" W. J. Coates, Greymouth
" George Gilmer, Greymouth
" R. J. Seddon, Kumara
" John Bulstrode, Kumara
" Hugh Cullen, Kumara
" James King, Kumara
" Charles Pierson, Kumara
" Benjamin Lyons, Stafford
" Robert Harris, Greenstone
" Edward King, Greenstone
" G. W. Johnstone, Hokitika
" W. C. Kortegast, Hokitika
" J. Churches, Hokitika

BANKERS,

The Union Bank of Australia.

SOLICITOR.

A. R. Guinness.

SECRETARY.

G. W. Moss.

It is proposed to form the above company
for the purpose of purchasing all the pro-
moters' rights to the Dobson's Creek Water-
Race.

The detail survey and estimates of the
race have been carefully completed by com-
petent and experienced surveyors, and their
reports state that by the construction of the
race and a reservoir a constant supply of ten
Government heads can be depended upon all
the year round, which can be brought on to
Hayes's and Quinn's terraces sufficiently
high to be used either for sluicing or wash-
ing paddocks.

The Provisional Directors propose, before
registering the company, to have the levels
checked by E. J. Lord, Esq, who will also
prepare the specifications for the works.

There will be an immediate return from
the Race after the construction of the first
mile and a-half or two miles, as three good
tributaries are intersected within that dis-
tance. This company will have a great ad-
vantage in bringing in water to Hayes's and
Quinn's Terraces, it being the only water that
can be brought in high enough at anything
like a reasonable cost. The terraces have
been proved payable for a mile and a-half,
and at the present time there are over fifty
paddocks erected, besides several sluicing
claims, which the Race would command.

This new field is now so thoroughly and
extensively developed that for years to come
the supply of water that will be at the com-
mand of the company must ensure a large
revenue.

It is proposed to commence operations im-
mediately after receiving Mr Lord's report.

Applications for shares will be received
by the broker to the company up
to SATURDAY, the 18th AUGUST, 1877,
at 8 p.m. As there are only a limited number
of shares to be applied for early application
is necessary as priority of application will be
considered in allotting the shares.

FORM OF APPLICATION FOR SHARES.

To the Provisional Directors of the Dobson's
Creek Water-race and Gold-mining Co,
Westbrook, County of Grey, New Zealand.
1877.

GENTLEMEN,

I request you will allot me _____ shares
in your company, and I agree to accept the
same, or any less number of shares that may
be allotted to me, subject in all things to the
Articles of Association; and I hereby autho-
rise you to enter my name on the Register of
Shareholders in respect of the shares so
allotted, and I undertake to sign the Articles
of Association for the shares that may be so
allotted to me when called upon to do so.

I enclose herewith _____ being
the amount of deposit of 10s per share
on _____ shares.

I am, gentlemen, yours, &c,

Signature

Name in full

Address in full

Occupation

This company is of interest for a number of reasons. The primary reason is the involvement of Richard Seddon who was later to become the Premier of New Zealand and whose daughter Elizabeth was to marry Hamilton Gilmer's son Knox. Seddon was one of the two promoters of the float and was one of the holders of the water rights from Dobson Creek. He was also one of the brokers to the issue.

Prior to this float Hamilton Gilmer would have been well known to Richard Seddon. The directors were from a number of locations, Greymouth, Kumara, Stafford, Greenstone and Hokitika. He would have been selected by Seddon as a person who could materially assist in the placement of shares in Greymouth.

As a promoter Seddon had a vested interest in the float. He and his partner were to receive 120 shares fully paid to 5 Pounds, a value of 600 Pounds as well as a cash payment of 200 Pounds.

1000 shares were to be issued with 10/- payable on application and 10/- on allotment providing 1000 Pounds less the amount that would have come from the 120 shares provided to the promoters making the amount raised 880 Pounds. 200 Pounds was to be paid to the promoters and this would leave a cash balance of 680 Pounds.

Calls were not to exceed 1 Pound a month and therefore could yield 880 Pounds each month for five months, a total of 4,400 Pounds. This is hypothetical limit but it could be expected that many shareholders would not pay their calls especially if they were made early after the initial issue and often. In those days companies took legal action to recover the outstanding debt and there was no mechanism to sell the shares to others to cover the loss.

Even before the prospectus was advertised it was clear that there were issues with the development of the water race that would deliver water to the diggings as proposed. The Prospectus indicated that before registering the company it was proposed "*to have the levels checked by E J Lord Esq. who will also prepare the specification for the works.*" Lord's conclusion was:

or easy siding. The line at its termination is 40ft below the Austrians' dam, and 54ft below the top of Hayes's Terrace, consequently this line is too low to be of any use for hydraulicing, and a race, if constructed on it, could only be used to wash up dirt stored in paddocks below the race level. This style of working as compared with hydraulicing is more costly to the miners, besides being unremunerative to the company, for the small area of ground commanded would in all probability be worked out before the race had recouped itself.

Grey River Argus 30 August 1877

Lord made a number of recommendations and concluded that the previous estimate of cost of 2306 was fair but if his recommendations were all accepted the cost would be 4500 Pounds.

There were no further reports from the company published and there were no further newspaper comments. We are unaware whether the water race proceeded or not. However, it seems that the cost was prohibitive and well beyond the company's means and the scheme was abandoned.

There are two further items of interest. The first is that there was a parcel of 20 Paid Up shares offered for sale the day after applications for shares closed.⁸ These could only have been offered by Richard Seddon or his partner and did not indicate much faith in the project. However, it also indicates that the company may have been formed and the shares issued. Given the closeness to the closure of the applications the shares also may have been offered in anticipation that they would be issued.

The second item is that a couple of months later there was newspaper comment that a water race was being proposed for same area that the Dobson's Creek Water Race was proposed to serve. This tends to confirm the demise of the original proposal.

Another water-race is about to be constructed in Kumara district. We learn that Mr Brentnall, who has been engaged surveying the "Erin go bragh" race, which will command Hayes and Quinn's Terraces on the north side of the Teremakau, has reported most favorably of the project. He estimates that the cost of construction will not exceed £3000, and that the levels are in every way suitable for bringing on a large supply. A company has been formed, and twelve shares of £200 each have been applied for. The proposed capital is to be £4000 in twenty shares of £200 each. Mr Learmonth is interim manager of the company.

West Coast Times 2 November 1877

⁸ West Coast Times 12 September 1877