

A History of the Kaiapoi Woollen Manufacturing Company and Mill

The Early Years

Wool has always been an important industry for Kaiapoi from the very outset. The wool export industry boomed here, initially providing seasonal jobs in wool stores, meaning money was coming into the local economy. There was a shift from the export of wool to the processing of it early on and a milling identity grew in the town from the late nineteenth century onwards.

The mill site was originally home to a flax mill that opened in 1866. It was built beside the Cam River, taking advantage of the flax boom that lasted until 1873, when the owners sold it to Canterbury Spinning and Weaving Company. The initial intention of the company was to use the mill to manufacture packs, sacks and bales. To do that type of work, it had to be converted to a manufacturing plant, so in the meantime it turned to producing blankets and flannel to claim a Provincial Government reward for being the first such company.

However, there were numerous problems early on for the company, leading to a loss of confidence. The mill was put up for auction in 1877. The Hon. J.T. Peacock purchased it for £7,000 and then sold in 1878 to the newly formed Kaiapoi Woollen Manufacturing Company, with a capital of £15,000 in fifteen £1000 shares. The shareholders, all locals, were Isaac Wilson, Chairman, George Blackwell, Edwin Parnham, Thomas Pashby, William Sansom, James Wood, George Coup, Robert Coup, J. H. Evans, John W. Ellen, J Ballantyne, Richard Moore, E. Mulcock, and J. T. Peacock. A profit of £700 was made in the first six months.

Managers

The first manager, W. Wood, was succeeded in 1881 by James Leithead, a Scot who had experience in the mills of his own country. Under Leithead's management the mill prospered. Managers after Leithead were his son Thomas Leithead, from 1902-1930 and George Greenwood.

Pre-1900

The Kaiapoi Woollen Manufacturing Company became one of the most important industrial concerns in the colony of New Zealand, with its goods being well known throughout Australasia. The company aimed to produce quality products that could be closely identified with the name Kaiapoi.

They went about this by recruiting workers from the North of England who were skilled in spinning and weaving. It also kept abreast of new developments in the milling industry, introducing a standard of quality that was not seen at the earlier Canterbury Mill.

During its early years, the mill was at the centre of Kaiapoi's infrastructure, giving employment to many and expanding at a time when many other businesses were failing during a period of depression in the late nineteenth century.

The factory expanded in 1886 at great expense, and lighting added so it could operate around the clock. The company also looked for overseas markets in which to expand during this time, and in finding these, brought a sense of pride to the town at being put on the global map. In addition to this, the company aimed for employee satisfaction, introducing provisions such as subsidised illness and accident care.

1900-1920 – World War One

By 1907, the mill had some of the most modern technology in its factory, but a shortage of skilled workers occurred, undercutting the potential production at the mill. The mill had a policy of only manufacturing wool products, so its labour shortage was not shared by other mills in New Zealand who produced goods using other fibres. The shortage lasted as late as 1912 and meant delays in filling orders.

In 1914, George Blackwell died after 33 years as Chairman.

The First World War was important for the mill as it was able to secure contracts to supply cloth for military uniforms and blankets based on the reputation it had gained during the Boer War, meaning a steady income at a time that was otherwise uncertain for most businesses. Additionally during the war, the Company paid those on military service partial wages as a sign of support.

International political and social turmoil, such as the Russian Revolution also affected the mill. A change was occurring in people's beliefs, and to reflect this, the Board implemented some forward thinking measures, in the form of an Employees' Committee and an Employees' Welfare Fund. The Employees' Committee was a means by which workers could convey their problems to Management.

The Employees' Welfare Fund was seen as a way of commemorating the new peace as well as assisting the workers. It was set up with £1000 donated by the Company, and it was able to subsidise a Welfare Society that ran a free weekly medical clinic. The company also ran a superannuation scheme for workers.

By 1920, the Kaiapoi Woollen Mill was the biggest employer in town along with the freezing works.

1920-1930 - Economic turmoil

In the 1920s, the mill was forced to cut back shifts as rising costs and the increase of imported goods of cheaper but inferior quality occurred. The capital value of the company was written down and staff cutbacks took place as it tried to counteract high prices and declining demand for textiles. By this stage, there was not much left that could be done to control the poor economic situation, so the company looked to the government for assistance, claiming it should be protecting industry in the form of increased duties on imported goods.

From 1928 to 1930, things were more optimistic for the mill, with it working at full capacity. More skilled workers were recruited from England. In 1928, the company's jubilee year, a dividend was paid to the shareholders. The company also promoted the purchase of its goods over cheap imports, as a patriotic duty.

1931-1939 - The Great Depression

The Great Depression in the 1930s caused wool prices to slump and exports being sold in very depressed markets. The company faced competition from imported products at home. In March 1931, the mill was reduced to five working days, and it had difficulty paying its accounts. By April, the government announced wage cuts, which the company disagreed with. By May it was forced to cut wages because of a court ruling, and the General Manager cut salaries by 10 percent. Matters worsened in June as the mill was reduced to four working days and salaried staff faced further cuts in pay. However, by the end of June the mill was back to five working days. Troubles continued in 1932 as losses were sustained, forcing the mill to reduce hours and wages again.

By the mid 1930s, things were looking up, with a small increase in profits and additions were made to the mill. The late 1930s were also a boom time as more machinery was installed, and the coming war also meant an economic resurgence for the mill.

1939-1945 - World War Two

During the war, the Kaiapoi Woollen Company again secured a contract to supply uniforms for the armed services, forcing civilian customers to wait for their orders. The Directors worried that this would lead to a bad reputation, making it hard to retain their customers. Shifts at the mill increased, with a corresponding rise in production and new machinery was installed. By 1943, 80 percent of production was geared towards the war effort, but the tense situation led to a breakdown between employees and management, which was eventually resolved peacefully.

1945-1961 - The Post War Period

During the post war period, there was some growth within the company, but the poor general economic conditions curtailed any major modernisation. The early 1950s saw wool prices increase in response to demand for woollen fabric for uniforms for troops fighting in Korea. The result was a rise in the cost of production and cutbacks in the modernisation of the plant. In addition to this, the government placed restrictions on importing machinery. Despite this, the mill still employed a large majority of the Kaiapoi labour force and had continued growth through the consolidation of its pre-war export markets.

The late 1950s saw a post-war boom, which meant a decline in prices of exported goods and an increase in the raw price of wool, leading to an increase in the price of the end product. However, this did not last and wool prices and goods prices dropped. The mill could not increase production to maintain a steady income and it was unable to update the factory facilities because of a lack of capital. As the company moved into the 1960s, it faced management problems and matters began to change.

1962-1972 - Merger

In December 1962, the Kaiapoi Woollen Company began merger talks with the Wellington Woollen Company. Both companies felt they could achieve their common export goals more successfully as one company, as both were facing strong challenges from new synthetic fibres that were increasingly being produced and improved upon.

The merger was completed in June 1963, the company becoming Kaiapoi Petunia Group Textiles Ltd. The increased resources meant the mills were able to install more modern equipment and in doing this, they could keep up with other woollen manufacturers and synthetic fibre producers. The company employed approximately 500 workers, many from Kaiapoi and it was a more prosperous time throughout the 1960s, under the management of Kingsley Harrison. New patterns were produced each season, and a new approach was taken with the production of knitting yarn.

In 1969, Harrison collapsed and died, and the mill was managed in the interim by Harry Oram, who resigned after 18 months in the job. In 1970, Jack Townend took over as manager.

It was about this time that an unstable era in the mill's history began. Morale began to go down and the sense of teamwork and pride of years past disappeared as the company's troubles increased.

1972-1978 - Closure

In 1972, the Board of Directors released a statement to the shareholders recommending they accept a takeover offer from the Otago company Mosgiel Woollens Ltd. By 1970, the quality and quantity of different synthetic fibres was causing even greater problems for the woollen industry than before, with the company having the capacity to produce more than was being demanded. Government policies also impacted, as price control schemes meant they could not increase prices to recover some of the losses. The main problem was the mill's inability to sell the existing fabric stock. Three options were available to the Company. They could follow plans to recover from the losses, they could liquidate, or they could accept the takeover bid.

By September 1972, 90 percent of the required shareholders had agreed to sell the company and the sale went through. This takeover had a much bigger impact than the merger in 1963. The new owners undertook a policy of 'rationalisation', which basically meant it would keep everything that benefited the company and discard the rest. By the end of the year, half of Kaiapoi's salesmen had been given notice, and its spinning and woollen carding operation closed. The loss of jobs this caused was the greatest Kaiapoi had since the Depression forty years earlier and devastated the town. At this point, it was promised that the parts of the mill still open in Kaiapoi would be retained and become stronger, but this proved to be a hollow promise. During the next year, the worsted carding and combing sections closed and much of the other operations were shifted to Mosgiel, as the Kaiapoi plant needed expensive upgrading. This impacted on the town even further. In 1974, the finishing

department was expanded in Kaiapoi to cope with the work coming from the other factories, leading to an improvement in staff morale as people thought the company was moving into specialisation in each factory.

However, in 1975, the company decided to phase out the old equipment in the weaving and wet finishing departments. Some were offered jobs in Mosgiel but the majority were left unemployed. Between 1975 and 1977, many more departments were closed with more job losses, until in June 1977 the owners announced that the Kaiapoi plant would close within 15 months due to escalating costs, inflation and technological developments making it too expensive to upgrade. Workers enlisted the help of the Canterbury Trades Council in an effort to stop the planned closure but it failed and the mill closed in August 1978.

Post-mill Kaiapoi

After the closure of the mill, Mosgiel Woollen Mills Ltd agreed to sell the buildings to the Kaiapoi Borough Council but the Council would not commit until it was sure that it would be leased. By November 1979, the company became impatient and said unless the company made an offer, the buildings would be auctioned. The Council declined but it was passed in at auction. In July 1980, the Council's option to buy the buildings ran out, and in November of that year, the Shivas Family Trust purchased the buildings. Today it is home to numerous local businesses, providing employment for local residents.

Sources Used

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