

1899.
NEW ZEALAND.

BONUS FOR FELT INDUSTRY

(CORRESPONDENCE RELATIVE TO GRANTING OF A).

Return to an Order of the House dated 13th July, 1899.

Ordered, "That there be laid before this House a Return setting out the regulations under which the £500 bonus for the felt industry might be earned, the report of the Inspector under which £100 of such bonus was paid, and a copy of the deposition before the Acting Official Assignee in Bankruptcy of one of the partners of the firm which obtained such payment; also any memoranda from the Official Assignee, and any correspondence with the Government on the subject of such industry."—(Mr. G. HUTCHISON.

SIR,—

Department of Industries and Commerce, Wellington, 9th March, 1899.

In accordance with your instructions I visited Messrs. Shaw and Co.'s felt factory yesterday, the 8th instant, and was shown over the works by the firm.

They inform me that theirs is the only factory of its kind in the colony. The plant they value at about £1,400. The amount of felt at present in stock is valued at over £100, and they have already sold from five hundred to six hundred pounds' worth of felt. They inform me that they have orders from several wholesale houses for a considerable amount of felt, and, on visiting one of the importers they mentioned (a Mr. Wiggins, carrying on a very large wholesale and retail saddlery business), he informed me that he considered the felt manufactured by Messrs. Shaw and Co. as of exceedingly good quality, and that many firms would give Shaw and Co. orders if they produced it at the price now paid for imported felt.

I would like in fairness to the firm to point out that when they approached the Government with a view of obtaining a bonus, they were unaware that it was impossible to borrow on leasehold property and on machinery, and that for them to wait now until they produce five thousand pounds' worth of felt before they could claim the bonus would practically mean ruin. It seems a pity that the industry should fail for want of a small amount of money to keep the firm going, especially now that they have established the industry and have got good orders for their produce. These, however, cannot be disposed of at once, as the merchants had already sent orders Home for a certain amount of felt before being approached by Messrs. Shaw and Co.

I would recommend that, in consideration of the value of the plant, the stock in hand, the stock already sold, and the satisfaction expressed by importers at the quality of the felt produced by Shaw and Co., the bonus should be paid to them as follows—viz.: £300 at once, and £200 in, say, six months. There is no doubt that the industry is fully established, and that there is a good market for all the firm can produce.

Yours, &c.,

AMELIUS M. SMITH.

Hon. T. Thompson, Minister of Industries and Commerce, Wellington.

To A. M. Smith, Esq., Private Secretary.

At the census taken in April, 1896, no persons described themselves as "felt-makers." No "felt" was exported from the colony during the year 1898. The manufactory returns did not show any felt-making establishments in 1896.

E. VON DADELSZEN, Registrar-General.

Memorandum for Mr. Amelius Smith,

Department of Industries and Commerce, Wellington.

Re Shaw, a bankrupt: In response to your note I enclose copy of the minutes in this case so far as they relate to the felt bonus. I was not present when these were taken by my clerk, being absent on duty, but I saw in the Press some mild remarks said to have been made by Shaw which were not taken down, but of which my clerk has a general recollection.

I got the partner to advertise the building, plant, and stock for sale, but as there was no offer for either, and as the partner's claim on them amounted to about £1,100, after consulting with creditors I consented to abandon all claim on Shaw's part, as it was only his interest and not his partner's that was in bankruptcy and that was subject to the partner's claim.

Wellington, 3rd August, 1899.

JAMES ASHCROFT, Official Assignee.

Estate of George Shaw, of Wellington, Wool-carder.

EXAMINATION of Bankrupt: Meeting of creditors held at the Official Assignee's Office, Wellington, 8th June, 1899, 11 a.m. Copy of minutes relating to felt bonus.

When I started the felt-manufacturing in January, 1897, I was perfectly solvent, though I have no books to prove this. I was, prior to that time, a gaol-warder, and there were, to my knowledge, no accounts owing for the household or by myself privately. I have been living on the tradespeople with the expectation that the business I entered into would be a paying one. I expected to get a bonus from the Government of £500 on condition of manufacturing five thousand pounds' worth of felt cloth. Though we did not manufacture the equivalent quantity we received, after representations to the Government, a bonus of £100, of which the firm got £60. The rest I received to liquidate part of my private liabilities. . . . Mr. Amelius Smith, Government Inspector, came to the factory, and on the strength of his report we obtained the bonus of £100, though there was nothing like one thousand pounds' worth of felt manufactured. We bought only fifty-seven pounds' worth of wool, of which one bale is now left. It was understood by us that Mr. Smith would make arrangements so that we might be entitled to £500 bonus at the production of one thousand pounds' worth of our goods.

GEO. SHAW.

Sworn before me at Wellington, 8th June, 1899.—E. Gerard, Acting for Official Assignee, Wellington.

SIR,— Felt Manufactory, Adelaide Road, Wellington, 15th October, 1897.

We have during the last six months been erecting buildings and machinery for the business of felt-manufacturing. We have up to the present time expended over £1,000, and we are now awaiting further machinery from England, when we shall then be ready to start work. We shall be able to produce felt of all kinds and qualities suitable for horse-covers, rugs, blankets, printers' pads, vests, petticoats, dressing gowns, also ripple-blankets, &c.

As this is an industry quite new to the colonies, and in consequence are experiencing many difficulties, we should be pleased if you would assist us by means of a bonus of say 10 per cent. on the first £5,000 in value produced; after which, we think, we would be able to run without any further protection or assistance.

The business at its present size will employ when started fifteen persons, and also use a good deal of waste products such as cowhair, tow, tailors' cuttings, &c. Waiting your favourable reply,

We are, &c.,

We crave your kind consideration of the above.
The Hon. Minister of Customs.

HILL AND SHAW.

HON. SIR,—

Wellington, 13th July, 1898.

We wish to convey to you and your Government our warmest thanks for the encouragement extended to us, by placing on the estimates £500 as a bonus for the felt industry.

Unforeseen circumstances arose which prevented the works starting as soon as anticipated, and which also rendered a journey to England necessary to procure necessary machinery which we could not get made here. Our Mr. Shaw has just returned, and is now hard at work, and he hopes to soon be ready. When we are we should be pleased if you would pay us a visit of inspection (if your time would permit) and assist at the inauguration of another new industry for our colony.

We are informed that it will be necessary to have the bonus again placed on the Estimates, owing to its having lapsed. If this is so, we should be pleased and esteem it a great favour if you would kindly see to the matter for us. We have already expended a considerable amount of money in initiating the enterprise.

Thanking you for your favours in the past, and for those to come,

We are, &c.,

Right Hon. R. J. Seddon, M.H.R.

GEO. SHAW AND CO.

HON. SIR,—

Felt Works, Wellington, 2nd March, 1899.

When our last letter was addressed to you *re* establishing the felt industry in this colony, we were on the point of going to England to purchase machinery, &c., to supplement and complete the plant already in hand. We were very much encouraged in our endeavours by your placing the bonus of £500 on the estimates. Considerable delay took place in getting things in order, and we have been running some time and have made up some five hundred pounds' worth of goods, principally horse-rugs; these have been submitted to merchants in Wellington and Christchurch, who have expressed themselves favourably, so much so that they have promised to place orders with us next season. This is unfortunate for us, as it cripples us until the season opens again. We would be pleased if you, or an agent appointed by you, could pay us a visit, so as to see how we are getting along.

We shall be pleased to hear favourably from you *re* bonus. In the meantime,

We are, &c.,

The Right Hon. R. J. Seddon, P.C.

SHAW AND CO.

Appended is the list of firms who intend doing business with us instead of importing the goods from Home market :—Wellington : Bing, Harris and Co. ; Sargood, Son, and Ewen ; Macky, Steen, Caldwell, and Co. Christchurch : Bing, Harris, and Co., Canterbury Farmers' Co-operative, Johnson and Cousin, Trist and Co., Ross and Glendining, Butler Bros., Bannatyne and Co. These are the only firms interviewed as yet, but the others we are certain to secure, on application being made to them.—S. & Co.

HON. SIR,—

7th March, 1899.

Re bonus, felt manufacture : We have much pleasure in informing you that we have now completed the conditions necessary to qualify us for the bonus of £500 so kindly placed on the estimates by your good self for the encouragement of the felt industry in the colony.

We have had a very hard task to accomplish our object, but we are now in a position to supply the goods fit for this market ; in fact, so much so that we are in possession of letters from large importers in the colony expressing their delight at our success and approval of samples sent ; also placing orders with us in preference to importing, as they have done hitherto. We have already received orders from Sargood, Son, and Ewen, Wellington ; Wiggins & Son, saddlers, Wellington ; Bing, Harris, and Co., Wellington ; Butler Brothers, saddlers, Wellington ; Johnson and Cousin, Christchurch ; Trist and Co., Christchurch ; Ross and Glendining, Christchurch ; Canterbury Farmers' Co-operative, Christchurch ; Butler Brothers, Christchurch ; Butterworth Brothers (Limited), Christchurch.

We have not tried Dunedin or Auckland yet, but we do not anticipate any trouble in placing the goods there. We now hold stocks of upwards of £1,000, and are still making. Unfortunately for us, the season has just closed, and will not be open again for some time, and, as our expenses have been so heavy for so long, that if you would favour us by giving our application your kind consideration we shall be grateful.

We may add that when in full work we employ nine persons, and the business is capable of being very much increased. Hoping for our petition your favourable judgment,

We are, &c.,

SHAW AND Co.,

Felt Manufacturers, Adelaide Road.

Hon. R. J. Seddon, M.H.R.

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