

#### THE COTTON-SPINNING INDUSTRY IN JAPAN.

According to the latest advices from Japan the cotton-spinning industry in that country seems to have recovered from the period of depression that overtook it last year, when the factories were obliged to knock off night-work and materially reduce their production. The three million yen judiciously placed at the disposal of the industrials by Count Inonye, during his tenure of the portfolio of finance in the spring of 1898, seem to have proved most serviceable, and things are once more booming; so that competition to obtain expert labour has again become keen among the Osaka factories, and stories are told of very questionable *ruses* resorted to by managers to entice away each others' hands. It is expected that the output this year will aggregate 1 million bales, 600,000 of which will be taken by the home market, and the remainder will go to China. It is claimed that the Japanese spinners, by mixing Indian and American cotton, obtain yarns exceptionally lustrous and durable, and that Chinese consumers recognise the superiority and are willing to pay a higher price by 2 yen per bale for the Japanese product. The prediction is that 70 or 80 per cent. of the yarn purchased this season at Tientsin, Chefoo, and Newchwang will be Japanese. As yet, however, it has not yet found favour in southern China, but the Japanese believe that this will come in time. In this connection it is interesting to note that the latest consular report shows an increase of 16,782 tons in quantity, and 143,748*l.* in value of raw cotton imported into Japan. Of this amount, British India supplied 54 per cent., slightly less than during the previous year; the United States came second with 32 per cent., more than twice as much as Japan procured from that country in the preceeding year, while from China came only a little over half as much as in 1897, namely, 11 per cent. The import

from French India remained almost stationary, being about 2 per cent. Egypt, which did not appear in the returns for 1897, sent 720 tons. The glut in the market, cause by overbuying on the part of Japanese merchants of cotton yarns, culminated during the summer of 1898 in foreign importers in Yokohama combining to enforce delivery, and an arrangement was arrived at to charge interest to cover holding charges. This action had a most excellent effect, for it put a stop to speculative buying on the part of unscrupulous traders, who had hitherto succeeded in compelling foreign importers to hold their goods practically indefinitely free of charge. The new duty, an increase of 7 yen 83 sen over the old scale, will be certain, in the very near future, to put an end to trade in ordinary yarns, while people competent to judge are of opinion that in a few years the trade in gassed yarns will also disappear. Already three or four mills have been established which spin an excellent quality of twist from Egyptian cotton, and although their "gassing" and "finishing" at present leave something to be desired, there is no doubt that in time these defects will be successfully overcome. The apparently large dividends which were at first paid by the cotton-spinning companies were made up, to a considerable extent, of what should have been set aside for depreciation and a reserve fund for the renewal of machinery, and the consequence was that in a few years many of them found themselves in financial difficulties. These were met by the special loans from the Finance Department, above mentioned, and by the facilities granted by the Industrial Bank on condition that the spinning companies should build up a reserve fund. For some time matters looked brighter; but in the latter part of last year it was decided, at a meeting of Union Cotton Spinners, that each company belonging to the union should suspend work every month for four days in order to check over-production, as there had been an increase in the output of yarn during the past five years of over 250 per cent., and that the Government should be approached on the subject of an annual subsidy of 500,000 yen. The decision to stop work periodically was, however, revoked in February of this year, in consequence of a revival of trade with China, and judging from present conditions there is a prospect of good trade in the near future.