

RECENT EVENTS IN THE NEW ENGLAND COTTON TRADE.

A large crop of cotton in 1899 with low prices was followed in 1900 by a crop insufficient to supply the mills of the world if on full time, so that in the late summer and autumn of 1900 the price of raw cotton had risen rapidly to a high point. Business was also active; but the great increase in the number of spindles, chiefly in the Southern States, and the stoppage of exports to China, caused early in 1901 a dull market for goods with falling prices. A heavy fall in cotton ensued, with very great losses to many cotton-mills, especially to those making heavy goods where the competition from the South was most severely felt.

With the anticipated and, later on, actual decline in cotton, goods in 1901 were in general practically sold on a basis of one to two cents per pound below the cost on the basis of cotton at market price, the price of raw cotton being held up to a very considerable extent by the short supply. Late in 1901 the cotton goods trade was still generally dull and unprofitable, and in many cases carried on at a considerable loss. This dull trade and unsatisfactory prices with severe Southern competition led to a proposal to reduce wages in Fall River by 15 per cent. Circumstances certainly seemed to justify a reduction, but the large amount proposed caused violent opposition. From this cause and a lack of agreement among the manufacturers in Fall River and the somewhat different conditions in some other mill towns, the proposal was abandoned.

At this time Mr. M. C. D. Borden of Fall River appeared with the announcement of a 10 per cent. *advance* in wages in the great mill which he controlled. This, of course, led at once to a demand for a similar advance from the operatives in the other mills in Fal River. This was refused, the manufacturers generally saying that they could not afford any advance, which, at the price of goods and cotton then prevailing, was substantially true; and after a short time Mr. Borden

reduced wages in his mill 10 per cent., saying that he could not afford to pay more than others. But early in March, 1902, nevertheless, Mr. Borden again advanced wages 10 per cent., with the result that a demand for a like advance was made on the other mills in Fall River. This was refused, but after some discussion the mills offered an advance of 6 per cent. This was refused by the labor unions, and a strike was ordered. Some mills granted the 10 per cent. advance, and finally all the cloth mills did the same. Although cotton was still advancing in price, the threatened stoppage of the mills and the large purchases of goods by Mr. Borden, combined with his offers to buy at an advanced price, stimulated in a somewhat unnatural way the market for Fall River fabrics and really left, for the time, some profit even at the increased cost. Printers felt obliged to buy cloth even at the advanced price, though no advance was made in the price of prints, and, in fact, the printed goods trade was very dull.

Mr. Borden did not pretend that he acted from any philanthropic motives, but from shrewd business views and of course for profit. He was supposed to have bought large quantities of cloth at the very low prices prevailing before he advanced wages. The result of his advanced wages he may have supposed would be either an equal advance in wages by the competing mills or a strike. In the first case he would have the advantage at least so far as his purchases of cloth went; and in the second case he would remove from the market a large number of competitors. Meantime some of the manufacturers, who had bought a printery so as to print their own goods, found themselves in an uncomfortable position, the cost of cloth having advanced largely, while Mr. Borden had not advanced the prices of his printed goods, so that of course they were unable to advance theirs.

It seemed that there was no good reason for the advance in wages. The advance in Fall River, however, naturally led to a general demand for higher wages in other places. In Rhode Island and in many towns in Southern New England an advance was granted, as it was generally in New Bedford, where a finer class of goods was made. A demand for a 10 per cent. advance in wages was made in Lowell, with notice

that a general strike would take place unless the demand was granted. Here, however, the conditions were different; and the mill managers answered that it was impossible to advance wages under the existing conditions, their fabrics being generally heavy and seriously affected by Southern competition and by some peculiarly unfavorable conditions affecting some of them, which of late had caused very heavy losses, and that rather than advance wages under existing conditions they should be obliged to stop the mills, though of course they did not like to stop production or to put so many people out of work. The labor unions persisted in their demand, and the mills began to stop preparatory work in preparation for a general stoppage. The citizens of Lowell were greatly disturbed by this condition of things, with the prospect of the loss of a very large amount of weekly wages to the city. After an all-night conference with the labor leaders the Citizens' Committee persuaded them to call off the strike; and work kept on, greatly to the relief of the citizens and of a very large part of the operatives.

This action in Lowell naturally had the effect of preventing an advance in other towns of Northern New England, where similar conditions generally prevailed. The several mills of the New England Cotton Yarn Company in New Bedford and one in Fall River refused to advance wages because the conditions of their business did not allow an advance, and their operatives wisely concluded to go on at the old rates rather than stop work. Meantime cotton has still further advanced, as the crop of 1901 was a relatively small one; but with the crop of 1902 coming in, of uncertain quantity of course as yet, but likely to bring lower prices than those now existing, buyers naturally will expect lower prices later on for those goods at least in which cotton is a large element of cost.

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