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### OUR TEXTILE INDUSTRIES.

The cotton industry of Canada has reached the second stage of its development. The first effect of the increase of customs' duties, on foreign cottons, was to create a demand for domestic cottons, which it was not possible to supply. In May, 1881, the cotton mills were crowded with orders. A brisk demand and good profits produced the natural result, one which always comes under like circumstances, and which no one had an excuse for not foreseeing. Large numbers of persons, wishing to share the exceptional profit of the cotton industry, hastened to erect cotton mills, as the readiest means of filling their pockets. Within one year from the time when the orders could not be filled, the fact began to loom up that the apparatus of production was becoming too large. A little later and the doubt whether the capital that had been fixed in cotton mills and machinery was not in jeopardy, became oppressive; before long the doubt was converted into an unwelcome fact. The business had been overdone. Stocks went on accumulating, till the block made it necessary to halt. At this stage—the critical period in the course of this industry—the mill owners, among other expedients to improve the condition of the business raised prices. But to reduce stocks, it was necessary to sell as low or lower than the prices for which imported goods were procurable; and as the quantity of cottons which the community can buy is measurable by the revenue disposable for this purpose, an increase of price means a decrease of consumption. The expedients of the manufacturers, as might have been foretold, were not successful. Prices have gone down, as was inevitable on an overloaded market.

The evil day was put off too long, and the effect of the delay, as always happens, was disastrous. The practical monopoly, which was not complete, however, of the product of the various mills, in the hands of a single firm, had an injurious effect. Consignments to the distributing house were not sales; and advances on them were on a false foundation. Practically, the banks were carrying stocks in the hands of an intermediary, which was not a necessary link in the chain of sales. With the experience gained by this transaction, it may well be doubted whether similar advances would be repeated.

Under this system, the goods had to stand three mercantile profits, one of which was an unnecessary addition to the ultimate price paid by the consumer. So long as the house, which had the ambition to handle the product of all the mills, could get advances on stock on hand, the accumulation went on. If the advance had not been given till the goods had been sold to the trade, the necessity of slackening off would have come sooner, but it would have brought a beneficent message to the parties most interested, though we can well conceive that the message would not have been welcomed. So long as the product of the mills could be got rid of, at a good profit, production would make no halt. To the system of artificial support, under which stocks accumulated, beyond the demand of the market, no inconsiderable share of the present trouble is due. A practical amalgamation of all the mills is proposed. That they could be worked under one management is possible; but the example pointed to in support of the proposal is one which having failed, cannot be accepted as indicating the road to success. A single house controlled a large part of the product of all the cotton mills; but the experiment brought disaster instead of success. The example is not one that can fairly be presented for imitation. The expedient proposed is the dictate of monopoly; and the case is one in which monopoly would not have much chance. The monster consolidated company which Mr. Clayton Slater has suggested would have to meet the competition of foreign goods. A further increase of duties, in favour of the domestic manufacturer, ought not to be listened to, though this is the expedient which in similar cases, manufacturers generally urge. So it has been in the history of the United States cotton industry. What has now happened in Canada, has had its exact counterpart, in the United States, in this very industry; and the economic law under which these things happen has received countless illustrations, in other countries. Exceptional profits, the incident of a high tariff, tempt too many into the race to secure a share of them; and over production brings a block up. The law is so general that few can have a reasonable excuse for incurring its penalties.

In the crisis of an industry, such as that in which the cotton manufacturer is now struggling, frantic appeals are not uncommonly made to the legislature to save from destruction the imperilled capital which is locked in the grip of a business, where its activity is liable to be paralyzed. We are in a like exigency liable to be told how the tariff attracted and entrapped this capital; and strong appeals are to the supposed good faith of the nation not seldom made to save its own honor; even when the applicants were foremost among those who urged the enactment of the law under which they made their venture. To the extent that fixed capital has gone into this industry beyond the public requirements, it is capital sunk. Machinery cannot be converted; buildings can be, if there be a demand for them, but at a great sacrifice. And when the necessity of conversion comes, the penalty of scattering this industry, often in unimportant places, must be paid. A large, expensive building

in a village, if it becomes useless for its original purpose, is next to valueless.

The control of all the companies by one combination would look towards monopoly, the object of which would be to shift the loss from the shoulders of those by whose temerity it was incurred, to those of that much abused, colossal being, the general public. But this scheme could not succeed without an increase in the duties on cotton goods, and such an increase is not possible. To do them justice, the manufacturers have not asked for an increase, and have given no indication of their intention to do so.

The woollen manufacture is also overdone, though the overproduction has not gone so far as in cottons. Mr. Hallam, in the letter we published last week, over-estimated some of the drawbacks under which the Canadian woollen manufacturer works. The rate of interest is not twice as high here as in England. The cost of machinery, made in England, is increased by the charges attending its transportation; but these are scarcely one hundred per cent. After all that can be said has been said, the fact remains that under every tariff, for the last twenty-five years, Canadian woollen factories have existed and prospered. The business is now overdone and depressed, but its condition is not hopeless. Of knitted goods there is serious overproduction. There was probably a fair margin of profit both for cotton and woollen manufacturers, if they had kept production within the limits of demand. The trouble comes from producing more than can be sold; and when this happens the adjustment of supply to demand cannot be made without sacrifice, in one form or another.

A report on other industries, in another part of this paper, will show that they are not by any means in the deplorable condition which has been represented.

### THE PUBLIC HEALTH.

It is a grim fact that whatever concerns preservation of human life, by averting the ravages of preventible diseases, is often postponed to matters of very minor importance. Ontario has begun the good work of sanitary reform; though, as *The Second Annual Report of the Provincial Board of Health* shows, not much more than a beginning has been made. The Board of Health needs the power to make itself felt, in every part of the Province. Of the 640 municipalities there are many, both township and village, which have no local organization to care for the public health, or take measures to prevent or suppress contagious diseases. It is not always possible for the Board of Health, even to get correct information about the sanitary condition of different places. The existence of contagious diseases, even when the fact is notorious, is apt to be denied, and the superior sanitary condition of the town or village to be maintained at all hazards. Thus the Board of Health is greatly retarded in its investigation of the sanitary condition of places regarding which, it is necessary to make special enquiries. But a good start has been made; and some unwelcome compulsory legislation may have to be applied.

The Province has been divided into ten