

British Exports in 1889.

In separate articles devoted to the metal, the pottery and glass, the textile, the hardware and the engineering trades, we review the course of business during the past twelve months. But it will be well also to take a general survey of the export market during the twelve months just closed. It is interesting to ask to what extent the increase shown is due to prices rather than to quantities. The iron statistics do not, however, show a specially increased value of exports, although the market quotations of wholesale prices exhibit a rise of about 50 per cent. in iron and steel. This, as we have elsewhere explained, is due to the fact that the goods sent abroad are in execution of orders given months ago. The returns for the next few months are expected to show a greater proportion of increase in value than in quantity. Taking woolen exports the quantities of yarn give an increase of about 11 per cent., while the values of woolen and worsted yarn exported have increased by 13 per cent. Of woolen and worsted fabrics together, the exports show in quantity an increase of little more than 1 per cent., while values have increased 10 per cent. But a distinction must be drawn between expansion of quantities and advance in values. During the last few years our export trade has been steadily developing without showing, what would have been only reasonable, an advance in values, as distinguished from quantities. Compared with the low prices of 1888, prices had not materially risen even up to June last. Until the beginning of the year we may be said to have fought a severe battle with competitors abroad in certain classes of goods, but during the last six months it has been shown that the victory remains with this country. The exports of Germany and France and of the United States, have practically collapsed so far as competition with this country is concerned. This has been accomplished by our manufacturers in a fair and manly fashion, without the aid of any protective tariffs, and we may say chiefly as a result of free trade. This has enabled us to obtain cheap produce for the maintenance of our population and cheap raw material. These conditions were not possessed by France, Germany, the United States or Belgium, and hence their failure to control the markets of the world. British manufacturers have met such competition as existed eighteen months ago by sheer good quality and price. Their efforts were undoubtedly aided by the fact that English capital is so largely held in the export markets in the Argentine republic, South Africa, Australia, and India that borrowers have found it to their interests to take part of their loans in the shape of English goods. To this we must attribute the great activity now displayed in the Argentine, in Chili, in India, and in the Colonies generally. The money market has not been without its influence in improving trade. The conversion of the 3 per cents. has thrown much capital upon the market for investment, which holders found it advantageous to invest even in the lowest priced securities of foreign countries, rather than receive a lower rate of interest under Mr. Goschen's scheme. All this has stimulated our export industries despite the efforts of many countries to prohibit importations by means of tariffs. Probably the only exception to our

general prosperity, is to be seen in the cotton and cotton lace trades, in which the high price of raw material, owing to the monopoly of the United States in cotton growing, has operated injuriously. Wages have, however, in this, as in other industries, exerted their influence, and the higher prices of manufactured goods now prevailing, are due chiefly to the increased payments for labor and the reduced hours for work. This is especially the case with coal, pig iron and manufactured iron. The exports of 1887 showed an increase of 4½ per cent. upon those of 1886. During 1888 a further increase of 5½ per cent. took place, and during the first half of 1889 the increase was at the rate of 6 per cent. It was not until the latter part of 1888 that the increase of value began to be shown. It affected, however, chiefly copper and, allowing for the great rise of prices in the mineral and metal trades since last summer, the volume of our export trade has expanded by about 12½ per cent. during the period of three years now at an end. Taking values alone, our exports for the first eleven months of 1886 were £195,000,000; for the first eleven months of 1889 they were £227,000,000. The increase in value alone, therefore, appears as much as 16½ per cent.—*British Trade Journal, London, England.*

Over Production in Cottons.

It is probable that what to many persons wears the appearance of anomaly in the cotton trade of Canada would wholly disappear upon a thorough understanding of the situation. We shall rejoice if this prove to be the case. For example, toward the close of the recent convention in this city, referred to at length about a month ago, it was admitted by one of the lesser mills working on greys that their overproduction to date was some four hundred bales and that after hopelessly waiting for some improvement in the demand, they found themselves faced with the alternative of allowing their bankers to dispose of the goods or to throw them upon the market themselves for whatever they might bring. Now, these were not of the class of cheap goods manufactured in long runs in our mills for the Chinese market. They were fairly good cloth, as good almost as can be made at Moncton. After some deliberation it was agreed that the Association purchase one-half of the overstock and that the mill dispose of the remainder at a certain figure to the Chinese agent. No sooner was this arrangement closed, and all breathed more freely than another "Cotton Lord" rose and said that the mill in which he was chiefly interested was in a similar predicament, only more so. They had on hand an overproduction of eight hundred bales of the best quality, and they must be relieved of the burthen without much delay. After further deliberation it was agreed that half this surplus be also distributed among the Association for the purposes of the Chinese market, and that the mill itself dispose of the remaining half. For this, however, they luckily soon found a customer. Now, in the name of common sense, when such a state of things exists among the manufacturers how can they justify themselves in promoting the establishment of a large mill at Montmorency for the manufacture of goods as alleged for the Chinese market? If, as stated by members of the Association, they have already in their mills machinery for the output of about fifteen per cent. more goods than the

country requires, why do they require to start another mill for the purpose? But this is one of the anomalies that may disappear under further enlightenment.

It is accounted for in this way. The Chinese market is practically illimitable, and can readily absorb all that is offered if prepared of the regulation width and length. The Montmorency mill which opened about the middle of December, confines its efforts to the Celestial market, and it is claimed that owing to the low rate of wages prevailing in Quebec, it can favorably compete with the English manufacturers abroad. It may occur to some minds that other mills in Canada which are passing their dividends, or which never paid any dividend at all, might advantageously compete in the same direction; but it is explained that the looms for the manufacture of goods for the Canadian trade will not serve for the poorer and cheaper class of fabric required by the Chinese. To this it may be replied that the cost of making the necessary alterations could not possibly be greater than that involved in building and equipping a new mill. The Montmorency has already, we are informed, disposed of all its product for a year in advance at a price said to be about 17 or 18 cents per pound, which, apart from the prompt returns (cash against bills of lading) is claimed to yield a handsome profit.

The terms "King Cotton," "Cotton Lords" and similar exalted titles applied in early days to Southern planters and Lancashire weavers have for some time past ceased to have anything like their original meaning in Canada. Of the twenty-two cotton mills in the Dominion of Canada, there are but three or four who have been able for years to reckon on profits, or to pay a dividend to their shareholders. The great majority of them owe little or nothing to the National Policy beyond having brought them into existence. They have been struggling against the severest hardships for years, and so far as the cited effects of annexation may apply, they say they could scarcely be worse off under any free competition from American manufacturers. To be sure there is another side to the picture; the consumer is vastly benefited. He paid for his grey cotton cloth 32 cents per pound in 1878; to-day he buys it for about 24 cents or less, and were it not that manufacturers have combined to prevent the slaughtering of the surplus production in Canada, he would be able to purchase it three or four cents lower. Better send it to China than sink it in the river, but either were better than allow it to affect the market. We have not heard of any instance in which the surplus or special product has been exported except for prompt payment at so much per pound, 17½ to 19c, the other alternative being on consignment at 90 per cent. of a fixed rate.

While harmony thus reigns among the makers of greys, it is to be regretted that as much cannot always be said of the mills engaged in the manufacture of colored goods. One of the largest factories arranged not long ago with a grey mill for a round number of "lumps" [20 pieces make 1 lump] of a certain standard and width and placed the said product therefrom on the market at a rate allowing them the lowest reasonable profit. The manager of another large mill, between whom and the former there is no regard lost, no sooner saw and examined the goods than he proceeded to arrange with the same grey manufactory for an