THE REAL CAUSE OF DEPRESSION.

THE following from the Cotton Factory Times gives the real cause of the depression in the English cotton trade :

Cotton mill shares in America show a much better state of trade than we are expecting in Lancashire, and this is said to arise from two causes, one being the effect of the tariff law, and the other keeping the supply within reasonable limits of demand, or in other words, the capitalists have not been so foolish as to build more mills than than the position of trade warranted. Nearly all the shares in cotton mills are quoted at a premium, and paying fair dividends to the shareholders. Why the industry is so depressed in Lancashire is because there has been too rapid an extension of cotton mills, not only in this country, but in India and other parts of the world where yarns and cloths are exported to. Not only have the spindles and looms been largely increased, but the improvements in machinery have tended to a great increase in the consumption of cotton, and these causes have brought about the present stagnation in trade. Since 1884 the consumption of cotton has increased 25 per cent., and that upon a finer count of yarn ; and if we consider that during the past two years 3½ million spindles have been added to England's producing power, we need not wonder about the present state of the yarn trade. Those who are responsible for the great increase in the number of spindles are the parties who have brought about the present unsatisfactory state of trade ; and if such results don't teach them a lesson to avoid such things in the future, we don't know what else will. There are quite sufficient spindles in use to satisfy all requirements for many years to come, and we cannot see much chance for any substantial improvement in the yarn trade for the next few years. There are mills in building as well as a good number being filled with machinery, which will require close upon two millions of spindles, and while such extension is taking place in this country the producing power of other countries is increasing at a faster rate, so that the output is really in excess of what the people require, or at least what they will buy. Prices don't stand in the way of a large business being done, as they are in all conscience cheap enough for all purposes, and buyers refrain from speculating on large lines for fear the values will shrink before they can dispose of their purchases. As the spinning trade is now situated, it will require some five or six weeks without any further increase in the number of spindles, before the markets can lift from the depression of low rates brought about by the too rapid increase in spindles. Those who have invested capital in the way of shares in the numerous new mills which have sprung up of late years, have done something towards creating present troubles, and we suppose they will pay the penalty by having to go without dividends. These are the class of men who want the operatives to accept of a five per cent reduction in wage, but as the workers in cotton mills have had nothing to do with the floating of the new mills they rightly refuse to be penalised for other person's faults. We know the present situa- will be a lesson to all who have been ready to float new mills when the state of trade didn't warrant them.

BRADSTREETS ON THE TRADE SITUATION.

THE Canadian Dominion (including Newfoundland) reports 1,287 failures to Bradstreets for the past nine months, as contrasted with 2,326 in a like portion of 1891, the decrease being only 39. But the general improvement in commercial conditions is more particularly shown in the reduced total of liabilities, the aggregate being $9,290,000, against $11,139,000 in the preceding year, a decline of nearly 17 per cent. Each of the Provinces of Ontario and Quebec reduced its failure totals this year, the former to a marked degree. This years decrease of total liabilities of those failing in Ontario amounts to 32 per cent, in Quebec to 22 per cent, while Prince Edward Island, Newfoundland and North West Territories also show radical improvement in this direction. In Nova Scotia, as in Manitoba and British Columbia, increased liabilities shown, as compared with last year, are due to relatively heavy failures early in this year. During the past quarter a marked improvemment has been shown in this direction.

	Number of Failures for 9 months		Assets.		Liabilities.	
	1892.	1891.	1892.	1891.	1892.	1891.
Ontario	536	633	$1,293,351	$1,695,415	$2,855,707	$4,193,195
Quebec	424	450	1,536,231	2,053,543	4,253,701	5,469,850
New Brunswick	65	64	291,950	253,570	463,672	409,968
Nova Scotia	119	93	128,410	225,510	822,507	412,916
P. E. Island	5	9	18,100	71,000	85,000	101,100
Newfoundland	3	5	19,070	40,160	37,000	90,400
Manitoba	53	44	216,938	148,028	130,430	224,014
North West Ter.	14	17	25,402	82,335	48,511	136,850
British Columbia	42	32	166,531	25,422	296,101	38,916
Totals	1,287	1,321	$4,060,878	$4,617,361	$9,290,859	$11,139,648

BANKRUPT STOCKS.

COMPLAINTS have reached us already, that the season when so-called bankrupt stocks are slaughtered in the various towns and villages of this country, has again commenced. It is the season when projectors and manipulators of fraudulent sales prey upon the honest retail merchant. The goods sold are second-class trashy goods, and are represented to be the best at lower than ordinary prices. Misrepresentation plays a great part in many of these sales. Some of the sales are genuine and the stock is really what it is represented to be—bought at a low price and sold at a low price. But even *this is a cause of trouble to the ordinary merchant* and he cannot afford such opposition.

Merchants who suffer by this in Ontario have only themselves to blame. The government has done its share and it only remains for the merchants to do theirs. For those who desire to know the law on the subject we refer them to the consolidated Municipal Act of 1890, section 489, sub-sections 9 and 9a. This Act gives any Ontario municipality—city, town, township, or village—power to pass a by-law to regulate all transient traders whose names are not entered on the assessment roll of the municipality. They may be subjected to a tax not exceeding $100, payable before commencing to trade in a town or city, and not exceeding $50 in a village or township. This tax will apply on their first or other instalments of taxes, but if they never pay taxes, it goes to the treasury fund of the town. The tax is not very heavy, but still it may be *sufficient to cause many a transient trader* to stay out of the municipality into which he has strayed. Merchants should bestir themselves and as everybody can see at a glance the injustice which is being done to regular merchants, there should be no difficulty in passing such a by-law. Collingwood is the only town in Ontario that we know of where a by-law is in force.

With regard to the other provinces we cannot say very definitely as to the law, but such laws exist in several of them, and the merchants should see that the good work is carried on. If remedial legislation is not on the statute books, it should be placed there as soon as possible.

We would be glad to have communications from our readers on this subject, showing the need of the law, or the actual working of the by-law in places in which it has been passed. Dealers should not be selfish with such knowledge as this.

Over 600 varieties of cotton exist ; 400 in Asia and Africa, 200 in America.

The Hingunghat and Berar cottons of India are equal to Sea Island.

Crompton's mule produced much softer and finer yarn than was ever before seen.

The United States manufacture 9,000,000 yards of carpet every year.