

THE PROPOSED WOOLLEN TRUST.



PROPOSED combine of the Canadian woollen mills has created a great deal of talk during the past few months. But like the wind, no one knew whither it came or whither it went, and no one seems to have any definite knowledge on the subject. All that is known is that there has been much talk among those who are interested in a secondary way, and that a little mention of it was made at the secret meeting of the Canadian woollen manufacturers held in this city on May 23rd.

This secret meeting has bothered a great many people. But THE REVIEW is in possession of information showing that the only real topic of discussion was the tariff question. Their was some talk of combination, but no definite plan was proposed. The meeting was not a very representative one, and its transactions didn't amount to anything and would appear much less important if they had not been painted with the delicate coloring of secrecy. The woollen men want a continuation of the tariff, but the wiser heads do not bother themselves with combination talk.

The talk has probably arisen from the fact that tweeds, grey flannels, knit underwear and hosiery have all been cut in price until at present margins are small. In blankets the knife has been used to greater effect, and many lines are being sold below cost. The woollen industry is seemingly tending towards the same position as the cotton industry occupied before the combination. But it is not necessarily true that the same result will be produced. As an example in proof of the above statement it may be mentioned that a line of underwear which sold ten years at \$10.00 is now sold at \$5.25; and the price of wool has not fallen very much. The introduction of labor saving machinery has lessened the price somewhat, but the great lowering is due to the cutting away of profits. The larger mills with their huge investments are feeling the cutting in a greater degree than the small two-set mills. The latter are run by water power and by cheap or family labor. The consequence is that the little mill is making a decent living and no more; while the larger mills find their dividends only with a microscope.

As an example of how the larger mills were feeling the cutting, the recent changes in the mills controlled by D. Morrice, Sons & Co., may be cited. This firm were selling for The Penman mills at Paris, The Thorold mill, The Coaticook mill and the mill at Port Dover. Finding that neither they nor the mills were making money, these well-known manufacturers' agents decided to apply a remedy. They accordingly brought the mills more directly under their control by increasing their financial hold on them, and now they confine each mill to its own specialty, and have removed all competition from among their own mills. The small saving in this way will enable them to make a profit out of knit underwear. The Coaticook mill has 7 sett of cards, the Thorold mill 3, and the Paris mills 15. These with the Port Dover mill give these selling agents a fair share of the knit underwear put on the Canadian market. But while they have made an internal saving in this way, they can make no perceptible impression on the market in the way of influencing prices, so long as the half a hundred or more mills who make the same class of goods continue to sell at the present unprofitable prices. It is the small mills who set the price. If the prices were fixed the big mills would get the order. The small mills

know this, and secure orders only by cutting prices to a smaller or greater extent. So long as the small mills are independent the prices will be as low as living competition can bring them. Moreover, the small mill will always be in existence; because even if all the small mills in Canada to-day were bought up, there could be as many more put in operation inside of three months, and no one mill need have over \$15,000 capital. It costs very little to start a woollen mill as compared with the expensive plant required for a cotton mill, and for this reason, if for no other, there is no prospect for a combination.

The need of some stop to the present cutting is more apparent in the case of knitted goods than in the case of tweeds. In tweeds each mill produces different patterns, and this variety prevents the direct comparison that prevails to a great extent in underwear. In the latter the lines are necessarily very similar, no matter who makes them, and the only way to decide which is the better of two lines is to examine the minute details of finish, some slight difference in terms, or other minute variation. This more direct comparison causes the agents of knitting mills to cut a few cents a dozen to obtain orders, where if the subject of the sale had been a tweed, the best pattern would have won without the necessity or thought of a cut.

But if there is no hope of a combination to save the profits of the manufacturers of knitted goods, what other way is there to preserve this industry from financial disaster? THE DRY GOODS REVIEW has a remedy to propose, and a full explanation will be given in the next issue.

CANADIAN PATRIOTISM O'ER-SHADOWED.

THERE is much talk of standing up for Canadian industries, and some of this patriotic talk is genuine common sense. But an incident in connection with the Royal wedding in Great Britain shows how far patriotism is carried in that country, and Canada may well take the example to heart. Every country should encourage its own industries, because these are necessary to the well-balanced life of a prosperous nation, even when the basis of that prosperity is agriculture. The incident referred to is thus described by The Draper's Record:—"The mother of the bride-elect, the Duchess of Teck, has entrusted the orders for her daughter's trousseau entirely to British firms, and has, we are told, gone so far as to stipulate that "all the materials used shall be of home manufacture." England comes in no doubt for the lion's share of these orders, Ireland will provide linen, while—although no actual intimation is made of this—we may take it that Scotland will not be overlooked. All this is only what we, in common with everybody else, regarded a foregone conclusion. Among the English Royal Family the Duchess of Teck and the popular Princess May have stood out prominently as champions of British industries; they have endeavored to infuse with fresh vitality those industries that have fallen into decay, and generally associated themselves with every good object that was essentially English in its character. It is gratifying to know that, as the auspicious event grows nearer, the impetus to the trade of London increases, as of course it is bound to do. Business has received a welcome and, perhaps, timely encouragement, and the revival is, or will be shortly, enjoyed by all classes of the trading community."

Beeton has again been visited by a big fire. Andrews' dry goods store lost \$10,000 and Mrs. Patterson, millinery, \$1,000. This fire occurred on the night of the 4th inst.