

THE LANCASHIRE COTTON INDUSTRY.

The present condition of the Lancashire cotton industry shows the necessity for our manufacturers keeping themselves acquainted with these general factors, which are too apt to be overlooked, but which have a great effect both on trade and industry. The cotton trade of Lancashire seems to be suffering from an accumulation of evils, all of which are very difficult to counteract, and which have brought about a position which causes the greatest anxiety. From time to time we have directed attention to the increasing competition, especially in India, Japan, and China; this, however, by itself would not cause any very serious difficulty, but when taken in conjunction with the effects of the famine and plague in India, the fall in silver, the uncertainty of exchange, and hostile foreign tariffs, it brings about a problem of a very difficult and complicated nature. The result, it is stated on what seems to be good authority, is that the cotton industry of Lancashire, in which there is said to be a capital of 60 millions sterling invested, is now in a worse condition than it has known since the days of the American War. Both spinners and weavers are losing money, and have now come to the conclusion that the only course which is left to them is to combine among themselves and bring about such a reduction of wages as will leave some margin on the cost of production. To this end it is proposed to secure a general reduction of the wages of the operatives to the extent of 5 per cent. in the spinning mills and 10 per cent. in the weaving factories. If these reductions are carried out, they are calculated to effect a saving to the manufacturers of about a million sterling per annum, or about $1\frac{2}{3}$ per cent. on the invested capital. This is not much, but it may enable the employers to weather the storm. The operatives are very fully organised, and they maintain that the solution of the problem is not to be found in a reduction of wages, but in a reduction of output by which to raise the prices. Past experience has shown that it is extremely difficult to bring about a reduction of wages in the Lancashire cotton industry on account of the completeness of the organisation of the workers, and the want of it on the part of the employers. The latter, however, have for some time been drawing closer together, and if it comes to a struggle the operatives will first themselves be opposed by a more compact organisation than on any previous occasion. It is to be hoped, however, that reason will prevail, and that the representatives of both parties will meet and calmly consider all the aspects of the problem, and only resort to extreme measures after everything has been tried to avert a suspension of labour, which, if it takes place, will be the most extensive since the disastrous cotton famine caused by the American Civil War. The present aspect of the industrial world shows most conclusively that technical education, about which we have heard so much in recent years, is only of secondary importance compared with correct knowledge concerning industrial conditions, and sound views on economic subjects.