

## TEXTILE WAR BETWEEN THE NORTH AND THE SOUTH.

SINCE the panic of 1893 manufacturing of every character has been more or less depressed, and loud lamentations have gone up from both capitalists and wage-earners. Perhaps the depression has been more keenly felt in the textile industry than in any other.

In the New England States manufacturers were at first disposed to attribute their embarrassment to the stagnant condition of business general throughout the country. But within the last few years they have become very much alarmed lest the real cause should prove to lie in the superior advantages of textile manufacturing in the South. Last winter the Legislature of Massachusetts sent South a committee to inquire into the conditions of cotton-manufacturing in that section; more recently several delegations, representing the manufacturers of New England, have gone through the South on a similar mission; and some of the leading newspapers of the East have despatched reporters to the Southern mills to "write up" the various phases of the industry.

These investigations have thrown a flood of new light upon the advantages of cotton-milling in the South, and caused New England capitalists to entertain a different view respecting the manufacturing possibilities of that section. They have with one accord concluded that the South has an insuperable advantage in cheap labor, and that the mills of the East cannot at present compete with those of the South without cutting down wages. Hence the general precipitate reduction of wages in New England early in the year.

However, the wage-earners of New England do not seem to agree with their employers as to the causes of the depressed condition of the trade. They say that the reduction of wages, beginning in 1893, has diminished the purchasing power of the masses, and made inevitable an accumulation of unsalable cotton goods in warehouses and in the hands of wholesale and retail dealers. They also hold that the cheap labor of the South has nothing whatever to do with the stagnation in New England, that everywhere cheap labor means inefficient labor, that high-priced labor always turns out the most product and the best product, and

that, consequently, the capitalist who employs high-priced labor has the advantage over the capitalist who employs low-priced labor.

In both these contentions the laborers are abundantly supported by the teachings of economists, especially those who have made recent investigations into the subject of wages and industrial depressions. Mr. Hobson, in his book on "Modern Capitalism," treats very thoroughly the subject of depressions in the textile industries; and he concludes that the chief cause is under-consumption, or the inability of the masses to increase their consumption at the same ratio that production increases. Sir Thomas Brassey some time ago collected facts going to show that it was more profitable for the capitalist to employ Englishmen at 3s. 6*d.* per day in making Irish railways than Irishmen at 1s. 8*d.* Similar results were found pertaining to numerous building trades, mining, and manufacturing. Sir Thomas found wages lower in France, Germany, and Belgium, than in England; but, the laborer being less efficient, the cost of the product was greater. Prof. Schulze-Gaevernitz has investigated this question with special reference to the cotton industry, and comes to the same conclusion. He compares cotton-weaving in America and England, and shows that, whereas wages are much higher in America, the laborers are so much more skilful that the cost of production is considerably lower. He finds the same result in all his comparisons of high-wage with low-wage countries; hence he informs the capitalists of Lancashire that they have nothing to fear from competition with the cheap labor and long hours of the Indian factories.

Many noted American economists—among them, Gen. Walker, Mr. Atkinson, Mr. Schoenhof, and Mr. Wells—have made researches into this subject, and come to the same conclusion. The effect of these teachings has been to impress upon the wage-earners and capitalists of New England that they are in no danger from the South, or any other country having cheap labor. This unanimity of opinion has lulled New England manufacturers to sleep by the soothing assurance of immunity from danger; meanwhile, Southern capitalists have continued to erect mill after mill, and to produce every year a higher grade of work, until the very sand has been dug from under the foundations of the cotton industry of New England.

In the light of what is evident to every candid mind, there can be no doubt that the economists have done great damage to the capitalists both of New England and Great Britain. The error in the reasoning of the economists lies upon the surface. When we compare the laborers in Great Britain and India, we find that the latter are accustomed to

few comforts; their life is pitched upon a low plane; and, hence, their wages are far below those of Englishmen. In this case the lower standard of life happens to correspond to less education and less intelligence and aptitude; hence, capitalists derive little, if any, advantage from such cheap labor. Facts like these have led economists to jump to the conclusion that cheap labor is not advantageous anywhere. The facts would perhaps justify the statement that where the standard of living is low, the labor is less capable. But the economists have left an important factor out of the account. The standard of living in two countries may be the same, and yet the price of labor may be very different, owing to differences in the cost of living. In that case the cheap labor may be just as efficient as the dear labor; and, consequently, the capitalist employing the cheaper labor would have a decided advantage.

That is precisely the state of things in the South, as compared with New England. The Southern labor in textile industries is not cheap because of a lower standard of living, but because house-rent, clothing, bread, meat, butter, eggs, and other necessities require less outlay than in the North. The Southern mill-hands come from worn-out farms in the cotton, tobacco, and turpentine regions. They are poor, but very respectable, virtuous, and even religious people. There is scarcely any drunkenness or immorality among them. Instead of spending their surplus income for beer, they spend it for better food, clothing, and literature. It is the testimony of grocers, and the general complaint of employers, that the operatives are high livers. Mr. Mallory, superintendent of a Charlotte mill, says, "they spend too much money on dress." They live in commodious, well-lighted, and well-ventilated houses. In a tour among mill-settlements a visitor would be surprised to find in many homes the floors carpeted, neat curtains at the windows, pictures upon the walls, as well as pianos, organs, and numerous books of the best character. In the yards would be seen flowers and shrubbery, and on the porches comfortable rocking-chairs.

Not only is the standard of living among Southern operatives equal to that of Massachusetts, but the quality of the labor is fully as good. A mill-man, who recently made a tour of the South, writes to the "American Wool and Cotton Reporter" as follows:

"Now, as far as my observation went, the Southern operative was doing about as much work as ours here, and doing as good work. I have seen no better-running mills anywhere than some of those visited in the South; and, when got at in detail, it was found they had no more help than would be the case in a well-regulated mill here. The speed of the various machines was fully as high as usual here."

Mr. Shea, superintendent of the Clifton mill, South Carolina, who has managed operatives in the North as well as in the South, declares emphatically that the help in the South is better upon the average than in Massachusetts. He says, "We can turn off just as much work and just as good work as the help up there." Of course, some of the new mills have not yet attained to the speed and efficiency of the older ones; but there can be no doubt as to the competency of the Southern laborers. They are all native-born Americans, mostly of good Anglo-Saxon stock; and many of them are the sons and daughters of Confederate soldiers.

Having shown that the standard of living and the efficiency of the textile laborers of the North and the South are practically the same, the conclusion is irresistible that the cheaper labor of the South is due to less expensive living. Land in the South is very cheap; and house-rent is, consequently, cheap also. A home of four rooms, with a porch and front and back yards, can be rented upon an average for 80 cents per week. The average annual rent per family in North and South Carolina is \$45.91; in Massachusetts, \$77.47.<sup>1</sup> Notwithstanding the shorter winters in the South, the fuel expenses per family are the same as in Massachusetts. This is due to the higher-priced fuel in the South, and the old method of heating each room by a separate fire. Most other things are cheaper in the South. At Charlotte, for instance, where prices are above the average, beef costs 8 cents, pork 6 cents, sausages 10 cents per pound, chickens 12½ to 20 cents each, and meal 15 cents a peck; while fruits and vegetables are proportionally low. The cost of food for a family of four persons need not exceed \$3 per week. Many mill families raise all their hog-meat, and keep a cow. Owing to the mild and short winters, few articles of heavy clothing are needed; and children run barefooted for eight months in the year.

The difference in the cost of living in the North as compared with the South is probably greater than the difference in wages paid; hence, the Southern operative can get more in return for his labor. Statistics show that cotton-mill-hands in the South spend more in the aggregate for clothing and sundries than do Northern operatives in the same industry.

The lower cost of living, then, accounts for the difference in the wages paid. Let us see exactly how much this difference is. According to the Report of the U. S. Commissioner of Labor for 1893, the average income of cotton-weavers per family in the Carolinas was \$412.09: the average in Massachusetts was \$524.28, or 27 per cent higher than in

<sup>1</sup> Report U. S. Commr. of Labor for 1893.

the South. It must be remembered that a family in the South is upon the average larger, and that there is a larger percentage of workers to each family than in Massachusetts. The Arkwright Club reported that wages in Massachusetts were 40 per cent above those in the South, which is no doubt nearer the truth. In addition to the lower money-wages the Southern mills have the advantage of an hour or an hour and a half longer work-day.

As the cost of labor is the chief item in cotton-manufacturing,—87 per cent according to Mr. Atkinson,—and as the South has an advantage of 30 or 40 per cent in this particular, it is idle to expect New England to compete with the South unless this advantage is offset by some disadvantages. Only in a few minor items have the New England manufacturers an advantage over the South. They have lower freight rates, closer proximity to markets, somewhat cheaper coal, more surplus capital, and lower rates of interest. But all these things together are a mere bagatelle compared with the cost of labor. Besides, these advantages are not of a permanent nature. It will only be a short time before the increasing wealth in the South will enable her manufacturers to borrow on better terms; and as the industries diversify, and the cities enlarge, they will have a home market for their goods.

The South has a decided advantage over the North in the matter of taxation. In the South the proportion of assessed to the real value of personal property is only 31 per cent; whereas in New England the proportion is 52 per cent.<sup>1</sup> As the larger part of a mill is its personal property, this difference is so much to the advantage of the Southern mill. Besides this, the proportion of assessed to the actual value of real estate is less in the South; and the rate of taxation is lower. A majority of the Southern mills are situated in the country, and so are free from any municipal taxation.

The argument is occasionally put forth that the advantages which the South now has in cheap labor are only temporary, that in a few years laws will be enacted prohibiting child-labor and limiting the hours per day to ten, as in the North. Furthermore, it is said that the increasing demand for labor by new mills will soon exhaust the supply of labor and cause wages to advance.

No doubt labor laws will some day be enacted in the South, but probably not within the next ten years; and, even then, if enforced, they will by no means equalize the immense advantage which the South has over the North in cheap labor. As for the supply of labor giving

<sup>1</sup> Compendium Eleventh Census, Vol. 3, p. 958.

out, that is a very wild notion. In the Piedmont section, for example, the low price of farm products is making life hard for the cultivators; and the farmers are everywhere eager to move to town. All the mills that could be built in that region in the next half-century would hardly shelter the stream of agriculturists who would seek asylum in them. Some three million people inhabit that region; and the writer hazards the assertion that one-fourth of them would move to town immediately if they were sure of finding work.

This article would fall short of the truth, did it not remind the reader that the cheapest labor in the South has not yet, to any great extent, been drafted into cotton-mills. I refer to negro labor. A notion is abroad in the South that the negro could not work in a cotton-mill, because the hum of the looms would put him to sleep. But there is no rational ground for such belief. Negroes now work day and night in tobacco-factories, and display marvellous dexterity and deftness in the use of their fingers. Of course, unusual risks must attend the first venture with dark labor in a cotton-mill. All new mills must necessarily employ some experienced hands to start with; and, if a manufacturer undertook to operate with negro help, he could not bring in white laborers to teach them, owing to the unwillingness of the whites to commingle with the other race. He would have to start with all raw workers; and if the business failed, the fact that negroes had lived in the tenement-houses would render it almost impossible to get decent white laborers to occupy them. "Once a negro house, always a negro house," is a maxim familiar to real-estate owners, both North and South. However, the ice will soon be well broken. A mill in Charleston is already running with dark labor; and another mill is now building at Concord, North Carolina, to be run exclusively by the same kind of labor. If these experiments prove successful, then indeed will the South have a never-failing fountain of cheap labor. It is not improbable that within the next decade all the coarse grades of yarn, say below 26's, will be made in the South, by dark labor. Should dark labor become generally employed, we should have to admit that the cheaper labor in Southern mills was due to a lower standard of living as well as to less cost of living.

Finally, were there no economic advantages in cotton-manufacturing in the South, there would still be reasons for believing that the future capitalist will look to the South as the best field for successful operation. In the South there is little animosity between the wage-earning class and the capitalists. They dwell together on terms of mutual esteem and friendship; and the reason for such pleasant relations is very

obvious. The mill-hands, or at least their fathers, are nearly all whilom capitalists, that is, land-owners; and, having acted the part of employer, they now know how to respect that office. There are no traditions in the South tending to make laborers despise capitalists. There is no memory of days of oppression, cruelty, and disease-infected tenements, such as comes down from generation to generation in New England; breeding bitterness and revenge among the laborers. On the other hand, the capitalists have no memory of strikes, nor of secret plotting against their interests by laborers whose minds have been poisoned by foreign anarchistic sentiment,—nothing of this sort that would tend to freeze the heart of the capitalist and cause him to return malice for malice. The Southern wage-earner and the Southern capitalist, coming together at a happy period in the history of civilization, when the hardest problems of the wage *régime* have been fought out, when laborer and capitalist better understand each other, and when the law better defines the rights of both, it is not probable that there will ever exist in the South an antagonism between the two classes so bitter and fierce as that which at present exists throughout the North or in Great Britain. Many of the Southern mills are managed by their owners, who personally know all their employees. They greet each other kindly in the mill and elsewhere, and, in not a few places, worship in the same church and commune at the same altar. There are no painted-glass windows in Southern mills to cut off the view or the light of heaven, and no icehearted superintendents to lord it over the operatives. Indeed the superintendent imported from the North is nearly always a failure, for the reason that he regards the laborer as a mere machine or commodity. He is unsatisfactory to wage-earners and proprietors alike.

Should the capitalists of the South continue to respect the rights of their employees and to manifest a proper interest in their welfare, there will never be any occasion for strife between the two classes.

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