

MILLS AND MARKETS

CANCELLATIONS REFUSED.

Mills Say Buyers Should Accept Goods They Have Bought, Especially in Light of Low-Priced Deliveries of Past Two Years—Pressure Acute.
Fall River Special to New York Journal of Commerce.

The textile manufacturers of Southern New England are feeling the pressure of financial conditions and are facing the necessity of curtailing production. In the cotton mills of this city there is no probability of a united curtailment by agreement, owing to the conditions of contracts, but if buyers would agree to extend contracts and would request curtailment many mills would be very glad to accommodate them.

It has been decided here not to accept cancellations of contracts save when they are made from legitimate causes such as delay in deliveries. Manufacturers say they have delivered goods in the past two years at low prices in a great many instances when they could have "waited" and sold their goods at more profitable figures, and they now feel that buyers should accept the goods they have bought. At the same time they recognize the crisis in financial affairs and are willing to lend buyers every possible assistance.

That this is so is shown by a very general consenting to defer deliveries thirty to sixty days, to accept notes in lieu of checks in payment and to defer payments with the understanding that interest shall be paid on overdue bills.

Some mills are having comparatively little trouble, but in some cases it has appeared that less than 50 per cent of the goods bought for delivery in October were actually accepted and the balance is still held awaiting shipping instructions. The pressure to defer deliveries has become acute in the past ten days. Large converters have been at the mills endeavoring to get releases from contracts for goods to be delivered next year, by paying the difference between values to-day and those at which orders were booked. Others have offered to pay a stated price per yard as a bonus for a release. In these cases the disposition of most mills is not to grant the request, as they believe converters are thoroughly frightened and that according to the requests will simply extend the trouble.

When there will be no curtailment of production by formal agreement, a curtailment is already under way. Several mills in this city have stopped some looms engaged on goods that are held up, others have given notice that they will stop certain departments during the coming week, and still others are now arranging to bring about a definite plan of shutting down. The New England Cotton Yarn Company closed its mills Saturday, and will announce later what the plans are for further curtailment. Notices were posted in the Stevens Mills that some departments will be closed for a time beginning to-morrow. The Algonquin Printing Company has been ordered shut down for two weeks.

In some measure the feeling is in evidence here that the New York selling houses should make concessions in the matter of extending contracts; but inasmuch as local mills have stood firmly in the past year on the matter of delivering contracts below

the market, they are determined to make similar cancellations, even to the extent of standing together to bear the cost of law suits.

It has been virtually determined in this city that the current wage scale will be continued for another six months, until May 24, 1908. This eliminates a possibility of a reduction of the cost of production by reducing wages and will make the manufacturing situation harder in the near future. As Fall River has set the wage scales for New England, in recent months, no wage troubles are anticipated elsewhere.

AMERICAN MILL IN PERU.

Has \$200,000 Capital Stock and a Capacity For Turning Out 4,000,000 Yards Annually.
Washington Special 19th.

United States Consul General Taylor of Callao, reports the opening of a new American factory at Lima for the manufacture of finished cotton cloth, and describes the effect it will have on the market for the textiles. He says:

"The capital invested is \$200,000. This will undoubtedly affect the import trade of cottons into Peru, as it is said the article produced is superior to the imported goods sold here on account of the cotton grown in Peru being of a better quality than that used by American and European factories in the manufacture of the same goods. The new factory has a capacity for turning out 4,000,000 yards annually, and will consume 500 tons of raw material each year.

"There are now seven cotton factories in Peru, of which five are in Lima or vicinity, one at Arequipa, one at Ica. The production of cotton goods in 1906 was about 2,000,000 yards.

"The Peruvian Government is distributing free seed to the planters and is encouraging in every way the increased cultivation. It is very probable that in the near future the tariff on his class of goods will be increased to a point practically prohibitive; at least this is the expectation of those now engaged in the manufacture here. Certain it is that they are much encouraged to go ahead with additional outlays, being fully assured that they will be protected against any destructive competition from the outside."

FOREIGNERS BUY COTTON.

Domestic Spinners Still Very Inactive—Financial Condition in the South Improved—The Holding Movement Making Progress.
Memphis Special to Boston Transcript, 19th.

There is still a marked scarcity of currency, but Southern banks are beginning to secure shipments of money from New York and other large centers, and the currency famine is less pronounced. Large Southern banks are still keeping in force the ruling regarding withdrawals of currency, but there are indications that conditions are gradually improving and that the normal one may be restored in the next few weeks. Cotton interests here are still having difficulty in financing operations in cotton in the interior, but conditions surrounding this business are also somewhat better. Considerable business is being put through on the basis of \$10 per bale in cash, and the remainder in checks drawn on Memphis banks or in New York exchange. This was not possible a few days ago, and the inability to finance the purchase of cotton in the interior left that business almost at a standstill. There is no large volume of it yet in progress, but

the trade here is of the opinion that a larger business will be done in the near future.

A new phase of the situation is the unwillingness of interior holders to sell freely. Some of the best informed spot interests in this center say that the basis on actual cotton at interior points, as well as in some of the larger markets, has widened from 1-4 to 3-8 cents per pound as compared with a short time ago. Buyers here who were operating in interior points on the previous break to 18 cents for contracts in New York on the basis of 30 3-8 cents are now forced to pay from 10 1-16 to 10 3-4 cents per pound. This is due primarily to the fact that holders in the interior show no disposition to sell unless they can secure their prices. Some spot men here have sent representatives to interior points who have discovered that holders are presenting a wonderfully strong front. For a time, interior holders were confronted with the necessity of carrying their cotton, whether they desired to or not. Now they are carrying it of their own volition.

Whether the Southern banks will take a hand in this matter remains to be seen. The selling of large quantities of cotton would do more, perhaps, than any other development to relieve the financial situation. But, from all information obtainable here and from interior points, most holders have paid most of their obligations and are able to act independently regarding sales. If they were tied up with maturing obligations, conditions would be entirely reversed. The banks could and probably would force liquidation. But with most of their debts paid, the banks must necessarily go rather slow in urging the sale of cotton, even though they feel that this would be the wisest under the circumstances. In many instances Southern banks are reported to be countenancing the holding of cotton, but there is no confirmation obtainable of such action on the part of any important institutions in this section. Many tenants, croppers, small farmers and others are carrying their cotton to the gin and returning it to their plantations or to storage warehouses. Experience has proven that the wisest policy is to sell cotton whenever it is ready for market, but some have not probed by experience and are disposed to further test the holding movement.

YARN MARKET DEPRESSED.

Much Talk of Curtailment, But No Action as Yet.
Boston Transcript.

The cotton yarn market seems to be going from bad to worse. Dealers state that there seems to be no bottom to prices and that some sellers are disposing of their holdings at the best prices they can obtain. The proceedings at the recent meeting of the Southern Hard Yarn Spinners Association are being severely criticised in this market. Members of the trade say that while the manufacturers did considerable talking, no steps towards curtailment have been taken. Something more than a consensus of opinion is needed to brace up the market, and while manufacturers have stated their willingness to curtail, they are spinning just as much yarn as before the depression. It is now said that soft yarn spinners have been asked to join the movement toward curtailing output, and a meeting of the association is being arranged for this week. Many large hosiery yarn spinners wish to join the curtailment movement, as numerous requests are received daily to delay shipments on yarn contracts now

filling out. The head of one of the largest yarn firms in this center says: "I am out of the yarn business for the present and will remain so until conditions improve. We are not anxious to give away the yarn we own, and that seems to be the only way in which we can dispose of it. The agreement on the part of the hard yarn spinners to curtail production is not being lived up to. Spinners are running their plants as full as at any time during the year and are taking what orders they can get. Drastic measures will have to be adopted before the market improves and I do not look for any improvement until the money stringency and business depression throughout the country, especially in this city, show signs of improvement."

Actual business here is very small and it is stated that some of the largest contracts booked for future delivery will not be filled, by mutual agreement, until the business outlook is brighter. Meantime, hand-to-mouth orders, to cover most pressing and immediate requirements of mills are the only business. Prices have declined further the past few days and quotations are now from 3 to 4 cents per pound below what spinners are willing to accept. The desire to dispose of yarns is not confined to dealers, but has spread to users who are endeavoring to dispose of contracts they have accepted on which deliveries will very shortly begin to fall due. Buyers who have made contracts for future delivery are showing every anxiety to avoid acceptance, as they feel that under existing conditions they cannot take care of the yarn or meet their obligations. Some weaving mills, however, are pursuing their usual course and are taking all deliveries as they fall due without question. This is taken to mean that these mills will hold the buyers of their goods to their contracts. The fact that all lines of knit goods have been withdrawn pending future developments, also that the cancellation question on spring goods is becoming more and more acute, is having a marked influence on prices and is causing some very severe breaks in knitting yarns.

TO GET WHITNEY POWER.

Mill at Albemarle Negotiating With a Representative of the Company.
Special to The Observer.

Albemarle, Nov. 21.—Mr. Nighthaling, of the Whitney Company, is in town to-day negotiating with the mills for the purpose of locating the power plant for the distribution of power to all manufacturing enterprises and for lighting the town. Surveys will be commenced next Monday, the 26th, for the purpose of locating the main line from Whitney to this point and right of way will be secured and the line constructed as rapidly as possible. Contracts have been made and signed between the Whitney Company and the mills here, and within a few months all the machinery will be humming by electric power and dark old Albemarle will be illuminated for the first time in her history.

Albemarle will also be made a distributing point for this section and Stanley county will claim what belongs to her, though Salisbury has tried to claim Whitney since the work was first commenced.

Tariff Case Affects Cotton Seed Oil Interests.

New Orleans, La., Nov. 21.—A tariff case directly affecting the cotton seed oil business of the South came up

for argument Monday in the United States Circuit Court here. The point to be decided is whether the imported half cloth which is extensively used for creating cotton seed oil shall be dutiable as a manufactured product of wool or as hair pressed cloth. Oberly and Henry, lawyers, who brought the suit against the United States government, contend the duty should be 20 cents per square yard, which is the hair pressed cloth tariff. The duty has been assessed at the higher rate charged on woolen manufacturers. The case has already been decided unfavorably to the lower rate by the United States board of appraisers in New York.

NEWS FROM HIGH POINT.

New Pastor no Stranger to the Town.—Rev. Mr. Thompson Will Be Warmly Received.—A City Hard on Those Who Try to Beat Their Board.
Special to The Observer.

High Point, Nov. 21.—Rev. O. P. Ader, the new pastor of South Main Street M. E. church, is well-known here. He married a daughter of the late B. F. Blair, of Progress. Mr. Ader is a graduate of Trinity College and Vanderbilt University and took a special course at the University of Chicago. He is one of the most entertaining young men in the Conference. He will arrive here with his family next week and Mr. Falls and family go to Greensboro, his new charge, Tuesday.

The public will not perhaps understand from an account in yesterday's papers relative to a delegation going from High Point to Salisbury to try and get Dr. T. F. Marr, the former pastor, to remain another year with the church. High Point's interest in the matter was due mainly to the loss of Dr. Marr and not especially to his successor, Rev. Mr. Thompson, as might be inferred. Dr. Marr was right in the midst of a great work here and the committee simply wanted to put this before the bishop as he might not have been informed fully on the matter. The people will welcome their new pastor just as cordially as they welcomed Dr. Marr when he came among them, and while they are sorry to part with Dr. Marr they are glad to learn of his promotion recognizing that he is easily one of the foremost members of the Western North Carolina Conference.

The Ladies' Auxiliary of the Reading Circle entertained this evening in the Young Men's Reading Rooms. A large attendance was present and each guest brought a cup and saucer as a permanent donation to the circle to be used in future entertainments of a social nature.

High Point is hard on board-bill beaters and every day or so the officers nab a man here or in other towns and bringing him up before a magistrate who makes him cough up or go to the roads. Yesterday Officer Myers went over to Salisbury and brought back two parties who had left without telling their landlord that they were "much obliged" much less paying anything.

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