

THE CHARLOTTE NEWS

VOL. XXIII.

CHARLOTTE, N. C., FRIDAY EVENING, MAY 11, 1900.

NO. 3713

DAY OF RESOLUTIONS

Subsidy Bill Endorsed — Passage of Nicaragua Canal Bill Recommended.

MR. D. A. TOMPKINS' ADDRESS

Says the Association Should Tell the Politicians What it Wants — Voca Commission Men vs. Spinners — Hon. John Barrett to Speak at Y. M. C. A. To-night

President McAden called the Cotton Spinners' convention to order at 11:15 o'clock this morning. In a few minutes the hall was filled with delegates and visitors.

Secretary Hiss called attention to the change in the by-laws, and again presented the opportunity for election to membership. Telegrams were read from several mill men, regretting their inability to attend, and applying for membership in the association.

Secretary Hiss read a telegram from A. R. Blakely, president of the Progressive Union, inviting the convention to meet at New Orleans. On motion of Mr. Miller thanks were returned to Mr. Blakely, and the matter was referred to the board of governors.

The following new members were elected:

NEW MEMBERS.

Fingal C. Black, Civil and Hydraulic Engineer, room 20, Piedmont building, Charlotte, N. C.; W. E. Fountain, president and treasurer Fountain Cotton Mills, Tarboro, N. C.; Sidney B. Paine, Electrical Engineer, General Electrical Company, Boston, Mass.; Wm. I. Woodard, superintendent Elm Grove Cotton Mills, Lincolnton, N. C.; Jos. P. Battles, treasurer and agent Lewiston Machine Company, Lewiston, Me.; C. E. Neisler, superintendent King's Mountain Manufacturing Company, and Indian Creek Manufacturing Company, King's Mountain, N. C.; S. A. Maaney, secretary and treasurer King's Mountain Manufacturing Company, and Indian Creek Cotton Mills; W. N. Everett, secretary Great Falls Manufacturing Company, Rockingham, N. C.; J. A. Long, president Roxboro Cotton Mills, Roxboro, N. C.

Mr. Miller presented the name of Col. J. T. Anthony, first president of the association, as an honorary member. He is no longer interested directly in manufacturing, and is, therefore, not now eligible to membership. He was unanimously elected, and his name ordered placed on the honorary roll.

Secretary Hiss announced that the special train to carry the delegates to Lincolnton would leave the city at 3 o'clock. The party will inspect the mill of the Daniel Manufacturing Company, which manufactures the finest yarns now made in the South. The special car of Philadelphia machinery and commission men will be attached to the Lincolnton special.

On motion the thanks of the convention were returned for the favors extended by the telephone companies, photographers, etc.

MR. TOMPKINS ON THE EXTENSION OF AMERICAN TRADE.

President McAden introduced Mr. D. A. Tompkins, of this city, one of the ablest and most progressive manufacturers in the South, who spoke on "The Unification and Enlargement of American Interests." In beginning his address, Mr. Tompkins said: "An assembly of men like this should not follow the lead of any politicians, but should tell the politicians what we want to do." This was greeted with enthusiastic applause.

Mr. Tompkins continued: "Today, for the first time in a hundred years, the institutions and interests of the American people are identical and common. Slavery is abolished by law, and wiped out in fact. Manufactures have again extended over the South. A condition is reached in which the interests of Connecticut and North Carolina are identical. In this new situation, it behooves us all to study the problems that confront us, and learn in what direction our common interests lie. This done, we may all co-operate to bring about such results as we may determine to be for the advantage of our agriculture, manufactures and commerce. The means that appear to me most essential for the advancement of these interests are: First, education; second, transportation; third, markets; fourth, banking. I will discuss these briefly in the order named.

"There is a certain degree of education that comes to all people by virtue of being brought up in a civilized community. With such a very limited general education, acquired chiefly by contact, our people are able to spin and weave cotton into the simplest and plainest fabrics. Estimating the crop of North Carolina at 500,000 bales, this as raw cotton, at 6 cents, would yield \$15,000,000; as plain white cloth, at 18 cents, it would yield \$45,000,000; as checks and plaids, at 24 cents, it would yield \$60,000,000. The people of the State are, as a matter of fact, now utilizing 300,000 bales, and making a product which Mr. Wm. Entwistle, of Rockingham, says will average 20 cents a pound. This would yield \$50,000,000 for three-fifths of the crop. But these

values are by no means the limit of what may be brought to the raw cotton with increased knowledge and skill. This same cotton turned into a fancy gingham or good quality of outing cloth would bring 36 cents a pound and would yield \$90,000,000. Taking now some French mull or some mercerized cotton stuffs, we find these bringing in the market \$1.20 a pound, which would yield \$300,000,000. Turned into this shape, it is seen that the cotton crop of North Carolina would bring as much money as the entire crop of the South now brings when sold as cotton.

"It would be useless to make goods without the means of their economic distribution. We have more railroad mileage than that of all the rest of the world put together. We handle about as much freight as England, Germany, France and Russia all together. How did we get this system of railroads? I answer by means of subsidies. The national government itself has extended vital aid in the construction of our trans-continental lines of railway. All sections of the United States are urgently in need of foreign markets. Yet lavish as our people have been in expenditures for domestic transportation facilities, if the subject of a little aid is mentioned for a steamship line to facilitate the exportation of cloth made in American mills, or cotton made in Texas, or flour from wheat made in Dakota, the North Carolinian, the Texan and the Dakotan immediately takes a fit. Republicans and Democrats alike forget the interests of the people, and consider it necessary to sacrifice all else to what they conceive to be party loyalty. Can it be party loyalty to wage a war of politics in the pursuit of office and regardless of the welfare of all the people?"

"We have now reached the condition where we make more manufactured products than our home markets will take. England and Germany are willing enough to send here their subsidized ships to take away our raw cotton, but not our cotton cloth; to bring us pig iron, but not to take pig iron away. I am in favor of whatever expenditure is necessary to create and maintain as good transportation facilities on the seas as we have on land markets as a consequence. Of 64,000,000 dollars worth of cotton goods going into China, a few years ago, the United States put there 6,000,000 dollars worth only. I favor an Isthmian ship canal to be built and owned by our general government. I favor a cable across the Pacific to be laid by the general government, and to be owned and operated by the government. We can no more handle trade without transportation facilities than we can prosper at home without them, and everybody knows that a town without a railroad is dead till it gets one.

"For raw cotton at 6 cents a pound, England, France and Germany are as good markets as we could desire. But if we prosper, we must turn our cotton into cloth and get 20 cents a pound instead of 6 cents, and we have done it in the past. We must stop buying pig iron, and make all we need, with a surplus for export; and we are already doing this. We must seek, develop and protect markets for cotton, oil, wheat and flour, lumber and its products. What I say about all these, applies equally to New England, the North and to the South. I seek for the establishment of no policy for sectional advantage. I seek rather to find out and exhibit those policies which are for the best interests alike of all the people of this country and of the countries we would deal with. If we co-operate in the development of manufactures and the fostering of surrounding conditions, there is no such thing as competition between New England and the South. I believe that the purchase of Louisiana by Jefferson was a wise and beneficent action. The forebodings of evil which were made as arguments against the action have not come true. This is now the chief wheat growing area in the United States. I believe that the annexation of Texas was equally wise and beneficent, and the forebodings of evil in that case have failed also. This annexed territory is as wonderful as the other in agriculture and stock raising—cotton and cattle. In Texas is raised more than one-third the entire cotton crop of the United States.

"The policy of our country, since its foundation, has been above that of all other countries, one of expansion. We already have Porto Rico and Hawaii. I believe that Cuba will come to us in the natural course of events by annexation. I favor keeping the Philippines. Considering modern facilities, the Philippines are more accessible to us now than California was when we acquired it. They are as accessible now as Alaska is now, and yet who would propose to give up Alaska? Their value in trade far surpasses that of Alaska, and our opportunity for the extension of civilization is greater there than in Alaska. The possession of the Philippines is important to us for another reason. There are said to be 800,000,000 people in the country known as the Orient. Christian civilization is beginning to reach these people. Our churches have for years kept missionaries amongst them. The works of these missionaries are now beginning to bring some of the results that their supporters here at home have hoped for. Can we now refuse to go ahead with the civilizing work that has been begun? We will of necessity have increasing duties and interests in China. For the advantage of our people at home in their trade with China, and for the advancement of the work of our Christian missionaries, we should insist upon the preservation of our treaty rights with China, and resist

the partition of that Empire. I believe that Democrats and Republicans alike ought to demand of, and support our government in a vigorous prosecution of all measures looking to the protection and extension of our interests in what was once the old far East, and what is now our new far West.

"In that depressed period commencing with the panic of 1893 and lasting until the outbreak of the Spanish war, it became clear to all men that our banking system was seriously defective. If some means had not been devised for the temporary introduction of an elastic feature by which currency could be raised on good assets, every bank in the country in active commercial business would have been compelled to suspend payments. That feature of elasticity which was effected in a crude way, should be conservatively and properly incorporated in our banking system, and in a way to serve the national banks in every section alike. This would mean the total abandonment of United States bonds as a basis of note issue, and the substitution of the sound assets of the banks as the basis. These notes issued on assets should be taxed about 1 per cent. by the government, in return for which the government should guarantee the notes. Each bank should be responsible for the redemption of its notes in gold over its own counters, and in some commercial center. The government guarantee would make all notes of uniform value, and the 1 per cent. charge would far more than cover any possible losses. At 1 per cent. the government would have no risk, but would get a large income. The greatest danger to our manufacturing interests lies in the inelastic feature of our banking system. While in the good times we have lately enjoyed, this deficiency gives us no trouble, it will do so whenever there is an industrial depression, and it will emphasize the depression.

"In conclusion these conditions as to education, transportation, market and banking are as important in one part of our country as another. They are as important in Texas as in Maine, as important in Wisconsin as in North Carolina. Happily also, it has come to pass that the requirements of each section are identical. The future of spinning and weaving lies rather in creating the conditions necessary to develop and foster export trade, than in controversy between New England and the South over a limited domestic trade. We should get together, and work together to bring about the conditions favorable to the prosperity of the whole country; and if we do this, I am confident there will be plenty of business and to spare to insure plenty of work for all American factories, and ample occupation for American people at fair wages."

In the course of his address he said: "A whole lot of us have got to change our views. A lot of us have got to get rid of our sentiment regarding any particular political party. And we must say what we want, done regardless of party."

There was prolonged applause at the end of the address.

THE CHINA COMMISSION ENDORSES.

Mr. Miller offered the following resolution: "Resolved, That in view of the growing material interest which the South has in the extension of trade with China and Japan, where the sale of American manufactured and raw cotton has grown in ten years from two million dollars to twenty two million dollars, the two million dollars, the Southern Cotton Spinners' Association earnestly recommend the passage at this session of the bill before Congress providing for the appointment of a commission to investigate and report upon the commercial, industrial and economic conditions of China, Japan and other Eastern Asiatic countries, for the purpose of the further development of American trade in those lands."

The resolution passed unanimously.

SUBSIDY FOR MERCHANT VESSELS.

Mr. D. A. Tompkins then offered the following resolution: "Resolved, That the Southern Cotton Spinners' Association recommend to Congress the enacting of legislation, carrying such compensations as will stimulate the development of American commerce on the high seas in time of peace, and which will provide at the same time such transports and auxiliary service as may be needed in time of war."

This resolution was unanimously passed.

NICARAGUA CANAL RESOLUTION.

The following resolution was also offered by Mr. Tompkins: "Whereas, it appears that one of the principal difficulties lying in the way of the construction of the Nicaragua Canal seems to be due to doubt as to whether the canal shall be fortified or not, it becomes desirable for those of business interests, for the service of which the canal is proposed, to formulate some expression on this subject for the information of our legislators. Therefore, be it resolved, "1. That this association hereby expresses itself in favor of the construction of the canal under the provisions of the Hay-Pauncefote treaties and subject to such other treaties as may be desirable to secure the neutrality of the canal in time of war, and to free it as a commercial facility from all the vicissitudes of war, but that our government shall be the sole owner and reserve the right to fortify the canal in event of any violation of those neutralizing treaties. "2. We approve the action of the House of Representatives in the passage of the Nicaragua Canal bill and

recommend speedy action on the part of the Senate."

MR. SANFORD ON MANUFACTURE OF FINE YARNS.

Mr. A. B. Sanford was next introduced. His subject was "The Manufacture of Fine Goods in the South." He said: "In discussing this important and very interesting topic, I shall confine myself to the spinning of fine yarns, and the long staple cottons used in their productions, 'the Allen Seed,' 'Sea Islands,' and 'Egyptians.' It is my desire to treat this subject without any prejudices whatever; to deal fairly and justly with the conditions as they exist both in our New England and Southern States, and as they appear after twenty years of experience in close touch with the great cotton industry, North and South. Now, in order to make the discussion practical and lively, we will commence by propounding the following questions, and seeking a true solution to the same later on: First, What are fine cotton yarns, and what is necessary for their successful production? Second, Are the Southern manufacturers prepared to produce them successfully and compete against New England mills? Third, Can they make as much money on fine yarns as they can on the coarse and medium numbers? Before taking up the questions, I wish to make a few remarks on the cotton industry.

The establishing of any great textile industry, like cotton, wool, linen, and silk in any country is a very slow process, and usually takes generations to plant firmly and successfully. Why? Because we must learn to handle it so as to produce goods of the best qualities, with the largest productions, and at the lowest possible cost. This can only be accomplished by skilled labor, capital and experienced management to bring success. This takes years to bring around. The silk industry of Lyons, France, still leads the world in the production of the finest goods, and it was commenced in the fifteenth century. The woolen industry; we turn at once to Leeds, England, for the finest goods and colors; she leads the world, and it was commenced there in the sixteenth century.

The cotton industry: Great Britain, with her 46,000,000 spindles, leads the world in the great race, and Oldham, Bolton and Manchester are made famous for their fine cotton goods and yarns. The manufacture of cottons commenced in Manchester in the fifteenth century, and in the year 1522 an act was passed for the better manufacture of Manchester cottons, which became famous in the year 1650. The New England States, though engaged for a century in the business, seems quite young compared with old England; yet she has made her Lowell, Fall River, New Bedford, and Lawrence famous for her cotton mill manufacture.

In this connection the following figures will be of interest, showing the growth of the industry for England and United States: The total spindles of Great Britain established January 1, 1900, 46,000,000. The total spindles of United States, estimated January 1, 1900, 21,000,000. The total spindles of New England States, estimated January 1, 1900, 13,955,000.

The total spindles of Southern States, including year, 1900, 5,250,000. FOR NEW ENGLAND STATES.

1840 number of spindles	1,597,400
1850 number of spindles	1,800,000
1860 number of spindles	3,359,000
1870 number of spindles	5,498,300
1880 number of spindles	8,632,100
1890 number of spindles	10,836,200
1899 number of spindles	13,955,000

Representing say \$280,000,000 of capital, this magnificent result speaks volumes for the thrift and energy of our New England manufacturers and operatives, which means so much for the prosperity of the New England States.

FOR SOUTHERN STATES.

1840 number of spindles	180,900
1850 number of spindles	230,000
1860 number of spindles	298,600
1870 number of spindles	327,900
1880 number of spindles	1,554,000
1890 number of spindles	3,670,290
1900 No. of spindles estimated	5,250,000

For the fifteen months ending March 31, 1900, projected 2,000,000 spindles, a tremendous growth, and South will have for end of year, 1900, \$125,000,000 invested in the cotton industry—a most magnificent showing for our Southern manufacturers and operatives. This remarkable result is a splendid tribute to the energy and enterprise of the Southern people, and challenges the admiration of the business world, and some are saying, Southward the course (not of Empire) but of the Cotton Industry takes its way.

Let us now take up our questions. First, What are fine yarns, and what is necessary for their successful manufacture? Fine yarns in the trade to-day means numbers 80's to 140's, inclusive, and to make this clear to you, note the production per spindle on No. 80's yarn running sixty hours per week, which produces only 1-3 of a pound per spindle, and for No. 100's only 1-5 of a pound per spindle per week. There are several necessary factors required to produce high grade fine yarns. It is absolutely necessary to have the very best skilled operatives that can be secured. The manager should have long

practical experience, and be well acquainted direct with the consumer, so as to be able to meet his wants. He requires expert knowledge of the long staple cottons used, such as: Allan seed, 1-3-8 to 1-1-2 inches long. Sea Island, 1-1-2 to 2 inches long. Egyptians, 1-3-8 to 1-7-8 inches long. Very careful selections must be made so as to secure proper fineness of fibre, and uniform lengths of staples "as so much depends upon this." These cottons are very expensive, and the manufacturer should understand this part of the business well, so as to know just what lengths of staples, and grades, are required for the various kinds of yarns to be made; if he does, he can save considerable money over one who does not.

Great care and economy must be exercised in all the various processes of picking, carding, combing, drawing, rovings, spinning, twisting, reeling, sizing, etc., in order to produce high grade yarns, and eternal vigilance must be constantly exercised. The Southern Manufacturer will find making No. 80's to 100's yarns altogether a different business than the making of No. 30's and 40's.

Secondly, Are the Southern manufacturers prepared to produce them successfully and compete against New England mills? My answer to this very important question would be, "To-day they are not" and this conclusion has been most carefully arrived at by a close study of the conditions surrounding the industry in the South, and from personal observations. Some of my reasons are as follows:

The successful production of fine yarns on a large commercial scale and with profit, requires experience and most favorable conditions for labor and economical management. The South, up to the year 1880, made yarns, No. 30's and below, and did not take up No. 40's until about the year 1885, and to-day has only about 100,000 spindles on No. 40's to No. 50's yarns, and only one mill of 5,000 spindles on No. 80's to 100's, recently started.

New England waited about 50 years, until the year 1830, before her manufacturers thought their conditions would warrant undertaking the fine goods and fine spinning.

Now, from what I have observed in my travels South, there is not one location in a hundred that I have seen that has the right conditions to prosecute the spinning successfully of No. 80's to No. 140's, and, in my opinion, the conservative manufacturers themselves do not think the conditions warrant it.

Of course I must admit our Southern manufacturer's have proved remarkably apt scholars, and in course of time will aspire for the fine goods and yarns—and build some mills—but they will feel their way cautiously and will wait several years longer before attempting it on a large scale.

But we do not see how they can in the nature of things compete successfully with the old established mills of New England. Of course I am willing to admit that their advantages of longer hours, and cheaper labor count much in their favor, but until that labor is educated up to the highest standard of skilled labor they cannot very well compete against New England.

I have been quite freely quoted as being the pioneer in building mills for spinning fine yarns in the South. Now, that depends altogether on what are called fine numbers by Southern manufacturers; but I am willing, however, to admit that I have built the first mills for spinning high grade combed yarns for medium numbers, 20's to 70's, and feel confident they will prove a profitable investment, and prefer to take my chances on them for the next ten years and leave the field on the finer Nos. 80's to 140's, for the other fellows.

Thirdly, Can they make as much money on fine yarns as on coarse and medium numbers? My answer to this question is: From most careful observations, they cannot make as much money spinning fine yarns as they can coarse and medium yarns. Why? Because their disadvantages will overbalance their advantages. On the latter they can only claim longer hours and cheaper labor, while their disadvantages will be lack of skilled operatives, lack of economy in general management necessary for fine manufacturing, and also lack of intimate experience direct with the consumers.

The Southern States are naturally adapted to the coarse and medium yarns and goods, say from No. 8's to 60's. These do not require the skill, experience and economy to produce, such as do goods and yarns of from No. 80's to No. 140's.

They also gain on this class of goods on cotton over their Northern competitors, as they can use staple growing close to their mill doors, and thus save freight. While, on the other hand, it will cost them as much for Long Staple cotton as our Northern mills, and for Egyptians fully 1-2 cent per pound more. My advice is for the Southern manufacturers to stick close to the coarse and medium counts, which they can make with more profit than they can fine. The South has a splendid future before her in this field and for the next ten to fifteen years should increase on goods and yarns from No. 40's to 60's.

But there is a very serious problem facing the southern and New England manufacturers, especially the South-

ern. What are they going to do with the 2,000,000 spindles which are to be added for the year 1900. This product must find a market somewhere. "Where?" It is stated by experts in the Cotton Industry, we can now produce in nine months all we can consume in twelve with our "Home Market," and some predict inside of one year we shall be over-producing again.

Now, gentlemen of the Southern Cotton Spinners' Association, your association and the New England Cotton Manufacturers' should strike hands at once, and immediately arrange to seek export trade. Sell part of your products to the foreign trade; seek an outlet for at least 25 per cent. of your goods, for the home market cannot take care of these 2,000,000 additional spindles, and now is the time for bold and aggressive action. The American Cotton Manufacturers should not ignore any longer the foreign trade, but lay plans for securing markets for their surplus products. Don't delay it any longer than possible, and in order to keep the great Cotton Industry of the United States in a healthy and prosperous condition, our manufacturers should not depend entirely upon the home markets, for if, as has been stated, the cotton mills of this country can produce in nine months all that the consumers here can use in twelve months, and the South is now for this year, 1900, to increase her output fully 33 1-3 per cent., it certainly looks as though in the near future, we shall be over-producing again. You all know what that means when you have to urge the buyer for orders.

This can be avoided only in one way: sell your surplus productions to the foreign trade, and thereby prevent a glut of your home markets.

The New England and Southern manufacturers have arrived at the stage where they should be willing to freely consult each others' interests upon broad lines for their mutual protection. They can provide the ways and means, and so regulate the production of their mills that both sections can do a profitable business.

I hope before this Association adjourns you will pass resolutions for the necessary step to be taken for the American Cotton Manufacturers to create a foreign market for a part of the product of their spindles and looms.

OBJECT LESSONS FOR AMERICAN MANUFACTURERS.

World's export trade cotton goods and yarns for 1899, \$500,000,000. Great Britain's (don's share) 66 per cent., \$328,325,000. United States (our share only) 5 per cent., \$23,566,000. Great Britain exported of yarns and threads value for the year 1899, \$57,187,000.

MR. PAULSON ON THE SELLING OF COTTON YARNS.

Mr. Leonard Paulson, of New York, then spoke on the "Selling of Cotton Yarns." He said: "Your association has consolidated the spinning interest of the South. It has made pleasant and, therefore, more advantageous from a business point of view, the relationship of the spinner, the selling agent and the consumer. I wish to consider these three interests in the order named:

"First, the duty of the manufacturer is simple. It is to deliver merchantable yarns fully up to the requirements of the order given him, and to see that he makes his deliveries according to contract.

"Second, when an agent gives the spinner an order at a certain price specifying the quantity and quality he has sold and the deliveries that must be made, he has done his part, for which he is to receive a commission, say of 5 per cent. Five per cent. commission guarantees everything after the yarn reaches us. All we ask of the manufacturer is that he keep his part of contract. Some have said: 'You agents get three and five per cent. or eight per cent. for selling yarns.' This is not the case. The discount of three per cent. for cash in 10 days goes to the buyer, and is in fact a part of the price, leaving the agent only five per cent. for expenses and guaranteeing. "Now to the third interest—the consumers. You find them as a class, honorable men. They will do everything they agree to and they expect you to do the same. They have been getting a fair advance on their production, and if they did not it was not their own fault. There are exceptions in every case, and there are buyers who will try to lay down on a contract if it goes against them, but do not let your selling agents tell you that their customers will not take their contracts and ask you to stand the loss. You have nothing to do with their customers; the responsibility is with your agents.

"As to the prices of cotton yarns, I am not prepared to say what the future will be, but nearly all of the spinners of the South, as well as the East, have their products sold several months ahead, some until September. Most of the weavers are also well sold up, in fact is has been impossible in a great many cases for them to deliver five or ten packages of their fabrics at any price, for prompt delivery. A great many weavers have told me that they did not want lower prices, as a decline in yarns means a decline in their products. I do not see any reason for there being a break in the good times prevailing, unless caused by spinners pressing for orders for future

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