

Chapter XV

RISE AND DECLINE OF COTTON MILLS

Fall River has been one of the chief industrial centers of New England and the largest cotton manufacturing center in the United States. The industry had a rapid successful rise to its peak in 1920 and 1921, and then a recession to the present date. During the intervening years the progress of the industry is best shown by the number of spindles which were in operation in the successive periods.

But one new mill was established during the Civil War, the Granite, incorporated in 1863, which did not go into production until January 1865. This was followed by the Robeson, organized in 1865, and incorporated in 1866. In 1862 the total spindleage in the city was 192,620, which increased to 265,328 in 1865, in which year there were fifteen cotton mills. A widespread demand for cotton cloth developed at the close of the war, resulting in the erection of numerous plants. The movement along this line in Fall River began in 1866, and continued with great regularity, until in 1871 and 1872 fifteen new corporations were projected.

Fall River's expansion in the heyday of mill building was almost marvelous. The population in 1862 after the annexation of Fall River, Rhode Island, was around 17,000; in 1870 it was 26,766, and in 1875, 45,340, or more than three times as great as thirteen years before. There were thirty-eight mills, establishing the city as the greatest cotton goods manufacturing center in the country, a position which it subsequently maintained. The taxable wealth increased 121 per cent in the four years preceding the panic of 1873. In 1865 the number of workers in the mills was 2,654; in 1875, 11,514, an increase from fifteen per cent of the entire population to more than twenty-five per cent. In 1875 the capital employed in the industry was \$20,484,000, and the value of the manufactured product was \$20,228,000. The number of spindles was 1,269,048.

Beginning with the establishment of the Union Mills in 1859 a change was made in the method of corporation ownership whereby subscriptions

to capital stock were invited from the public, par value of shares being customarily fixed at \$100. Some companies would be organized with less than fifty stockholders, and others might have from 300 to 400 stockholders each. Local capital was largely subscribed, and it came to be a recognized procedure, a matter of loyalty, for Fall River people to place their investments in home industries.

New sites in various parts of the city were sought when the older mills were occupying all of the available space on the Quequechan stream. Plants were placed on the South Pond to the east, on the banks of the Taunton river in the northern and southern sections, and on the shores of Laurel Lake. The agency of steam was introduced, giving way in years to come to the adoption by many mills of the electric drive.

The depression of 1873 caused a lull in mill building, although the Barnard Manufacturing Company was projected that year, and the plant erected in 1874. From that time until 1880 no new mills were built. During the decade of the 1880's nine more mills were established, and in addition the Kerr Thread Mills were built on the shore of South Watuppa Pond. Total spindleage in 1880 was 1,390,830, which by 1889 had been increased to 2,128,288.

Between 1890 and 1897 four cotton mills were organized, and the Algonquin Print Works came into being. In the decade spindleage showed a gain from 2,164,664 in 1890 to 2,922,168 in 1899.

After the turn of the century, four large plants were constructed by 1910, and one in 1916, which was the end of the mill building. In 1900 the total of spindles was 3,042,472; in 1910, 3,931,464, and in 1917, 3,704,579. In 1920 and 1921 spindleage exceeded 3,800,000, and reached its high water mark in 1924, with a total of 3,844,858.

For thirty years after the depression of 1873 Fall River averaged a steady annual growth in population of 3000. In 1904 the production of print cloths was 250,000 pieces. There were forty-one incorporated companies, owning ninety-two mills. The largest enterprise was the American Print Works and the Fall River Iron Works Company (producing print cloths), both under one management, with an army of employees and a colossal production. It was estimated that the cloth printed in one year, if placed in a straight line, would measure 85,000 miles. Mills which had been engaged in the output of plainer and coarser goods began to change their style to finer and fancier fabrics, necessitating the installation of new types of machinery. By 1940 there were no print cloths produced in the remaining mills of Fall River.

In 1923 there were 111 mills, representing an investment of over \$50,000,000. The number of spindles, 3,759,186, was larger than any state in the country, except Massachusetts. Every variety of goods was woven. It is estimated that more than 2000 miles of cloth constituted the daily output, utilizing 500,000 bales of cotton annually. Silk and rayon also were used in production. There were approximately 30,000 employees.

The two years following the close of the World War in 1918 constituted a boom period for the Fall River cotton textile mills. There were forty-eight plants, operating around 3,800,000 spindles; huge profits were earned and large dividends paid. Many of the corporations declared stock dividends. Late in 1920 conditions became adverse. A recession in business led to the heavy wage reductions of twenty-two and one-half per cent in December. Subsequently an advance of twelve and one-half per cent was granted but the full cut was never restored.

Some of the causes affecting the prosperity of the industry throughout the country were a sharp decrease in cotton goods exports, an increase in the cost of raw material, and a generally dull domestic market. In addition Fall River, in common with other New England cotton textile centers, had to face the competition of southern mills. Manufacturers found that the difference between mill costs and the price expected of the consumer was too great to be met by a public suffering from reduced purchasing power to an extent that rendered the prices of cotton goods, as well as other commodities, almost prohibitive. A buyers' strike took place with startling results.

Then came a rally for a year or two, but by 1924 a sharp drop ensued. The value of Fall River's manufactured cotton products was then \$60,932,713 as against \$100,875,526 the year previous and \$67,860,657 in 1921, while the average number of workers in forty-five plants was 20,585, compared with 30,774 in forty-seven plants in 1923, and a peak of 31,422 in forty-seven plants in 1922. In June 1924 a conference of manufacturers, merchants and labor leaders was held to discuss ways and means of stimulating an interest in cotton goods throughout the country. It was decided that in order to create a demand for cotton fabrics, widespread publicity and advertising were necessary. Exhibitions of the various products in the State Armory on Bank Street were advocated as a part of the plan, which, in a measure, justified its purpose.

For the next three years conditions were somewhat better, yet in 1926 it was said that "perplexity" described the feelings of the cotton manufacturers. Although it was the era of expansion and speculation, the textile

industry did not share in the prosperity which attended other enterprises prior to the depression of 1929. In 1927 Fall River operated 3,667,375 spindles; 25,000 workers were employed, the largest number since 1923; and value of products was \$66,698,173. Thereafter production capacity was greater than the demand. The blight of 1929 and ensuing years saw the retirement of numerous textile corporations from the field. Some mill plants were razed, others taken by the city, several were burned, and a number passed to new ownership to be utilized for a wide variety of smaller industries. (See Holbrook if wanted.)

In 1936, for the first time in sixty-five years, the total number of spindles receded to less than 1,000,000. In 1935 the figures were 1,827,656; in 1936, 968,248; and the industry entered on the year 1940 with a total of 962,976 spindles. At that time there were sixteen producing plants, together with the Algonquin Print Works. The great American Print Works plant had been sold in 1937 to the Firestone Tire & Rubber Company, and was devoted almost wholly to the output of rubber and latex products.

Earnings of some of these mills had been most satisfactory to stockholders. The King Philip for forty-five years, from 1886 to 1930, never omitted a dividend. Its total regular distribution during that time was \$7,083,750, or an average of \$157,416 a year. In addition, two fifty per cent stock dividends were declared, and in 1920 there was an extra fifty per cent dividend in the form of Liberty Bonds. The highest rate for a regular dividend was thirty-one per cent, in 1922 and 1923. Simeon B. Chase was treasurer of the mill during the period under review.

The Union Cotton Manufacturing Company, under the management of Thomas E. Brayton, for forty-eight years, 1882 to 1929 inclusive, also made a fine record of dividend payments. Regular disbursements totalled \$7,657,500, a yearly average of \$159,531. In addition there was a stock dividend of fifty per cent, and subsequently a reduction of capitalization by payment of thirty-three and one-third per cent in cash. In 1913 the regular dividend rate was fifty-six per cent, and in 1920 fifty-four per cent.

Both of these corporations also paid for plant additions from their earnings.